

Queen's speech keeps open option of early election

Government legislation to be disclosed in the Queen's Speech on Thursday will be subject to the option of a spring or summer general election. But the Speech will confirm Mr Callaghan's confidence that the parliamentary session will run its full course.

Government measures with popular appeal

By George Clark
Political Correspondent

Most of the undertakings on legislation to be given by the Government in the Queen's Speech on Thursday setting out the parliamentary programme for next session will be subject to the reservation, "if there is time".

Options must be kept open for the possibility of a spring or summer election. But the contents of the speech will confirm that Mr Callaghan is confidently planning for the session to run its full length and that his preference, if the economy continues to improve and inflation is held in check, is for a 1978 election.

Apart from the three constitutional Bills, for the devolution of power to assemblies in Scotland and Wales, and for direct elections to the European Parliament (which have overriding priority) there will be several measures having wide popular appeal, useful to labour in regaining electoral support during the run-up to a general election.

Pre-eminence will be two housing Bills (one for England and Wales, one for Scotland) to provide interest-free loans of 100 to first-time house buyers, give further aid to local authorities trying to bring back and industry to inner city areas, and to allow local councils much greater discretion over housing policies and programmes.

According to one Cabinet minister, the constitutional Bills will so dominate the parliamentary programme that there will be only about 20 days left for other legislation. That is because the committee stage of the Bills must be taken on the floor of the Commons and not in a committee upstairs.

Much depends on the Government's success in placating its or so rebels on devolution, carrying by the end of November a guillotine motion ending a fixed timetable considering the Scottish Bill. The sign is that the Prime Minister will be bluffing his way through the attack, but the Prime Minister or bluffing, and the rebels

Sir Harold rejected honours list scrutiny in 1968, according to diaries

By Alan Hamilton

Sir Harold Wilson, when Prime Minister, dismissed suggestions that there should be a committee to scrutinize his honours lists as early as 1968, on the ground that it would frustrate his efforts to send unusual candidates to the House of Lords.

That and many other illuminating and often unflattering asides on the behaviour of the Prime Minister are contained in the third and final volume of the diaries of the late Richard Crossman, published today. The last instalment spans Mr Crossman's tenure of the newly created post of Social Services Secretary and the last two years of Labour government before Mr Heath's election victory in 1970.

He portrays a Cabinet that was often demoralized and divided, a Prime Minister who frequently resorted to the advice of his "kitchen cabinet" rather than his ministerial colleagues, and a party that had more or less abandoned hope of winning the 1970 election despite ruling with what, in hindsight, appears to be a luxurious majority of 64.

On the honours issue Sir Harold is quoted as saying: "If a committee came in and said my list they would make difficulties about my choice of Tommy Balogh, for example, or the other hand about some person whom they had never heard of."

Mr Crossman found early in 1969 that he has become a target for the left wing of the Party's left wing, observes that the Prime Minister had become uncommunicative with his Cabinet. "Harold has no chief of staff, no executive, and with Burke Trend (Secretary to the Cabinet) away I feel just as his Marcella, his Gerald Kaufman and his new fellow, Eric Varley. Harold lives in his lonely little place and does not do anything. We have got to get an inner Cabinet to restrain him."

A week later the diarist is complaining again that the Prime Minister is taking important decisions on his own. Rhodesia, Nigeria and Anguilla without full consultation with his colleagues.

"He has a passion for being on the spot, being in the news. Just as he waited for the chance to intervene in Rhodesia with the Tiger or the Fearless talks, so he is trying another such adventure (on Ulster), and that is all the leadership he is giving us."

After his talks on board the Fearless with Mr Ian Smith, Sir Harold returned to the Cabinet full of admiration for the Rhodesian leader. "Harold is the quickest and the most wily debater he has ever been up against and it was amazing that this former flight lieutenant with no real political background, had such ability and drive."

Throughout the period of the diaries Sir Harold is portrayed as having an obsession with Cabinet leaks to the press, and an endless feud with the BBC. He is obsessed with the BBC, and this and his obsession with leaks are his most outstanding weaknesses as a leader," Mr Crossman remarks.

The Prime Minister's favourite dislikes, apparently, included bodies closer to home, among them the Labour Party national executive.

The diarist remarks in September, 1968: "Harold is becoming more and more a Lloyd George figure, detached from his party, feeling not much loyalty or affection for the organization but: resenting the bloody nuisance it causes him. And yet he can afford to have these views because whenever necessary he pulls it off."

For all his light-footed political manoeuvring, the former Prime Minister is in some disdain by the intellectual Mr Crossman. He notes in March, 1969: "He hasn't got any doctrinal beliefs, I don't think he really believes in God, but he has the structure of moral behaviour of a Nonconformist Boy Scout. That is what differentiates him so profoundly from, say, Denis, Roy or myself."

The Prime Minister's outlook, Mr Crossman concludes, is composed of a "right and wrong attitude to life, this prissy vigour combined with an extraordinary power of self-deception."

By mid-1969, when the Labour Government was languishing in a flat term of uninspiring rule, Mr Crossman records the Prime Minister as being quite deflated. "For the first time since I have known him, Harold was frightened and

Continued on page 2, col 7



Archbishop Hilarión Capucci.

Papal plea to Israel can free prelate

Jerusalem, Oct. 30.—Israel said today it was prepared to release Archbishop Hilarión Capucci, the former head of the Greek Catholic Church in Jerusalem, jailed on arms smuggling charges, once it received a formal request from the Pope. It would not, however, pardon him.

A Government spokesman said the Vatican had initiated contacts soon after the new Likud Government took over in Israel earlier this year to discuss the archbishop, who has served nearly three years of a 12-year sentence for allegedly smuggling arms to Palestinian guerrillas in Israeli-occupied territories.

The spokesman declined to say whether the prelate would be allowed to remain in Israeli-held territory. —Reuters and UPI.

Five South African troops and 61 guerrillas die in Namibia clash

From Ray Kennedy
Johannesburg, Oct. 29

Five South African soldiers believed to be members of a crack reconnaissance unit, and 61 African guerrillas have been reported killed in a clash on the border between Angola and Namibia. South-West Africa is the most serious incident in the area since South Africa intervened in the Angolan civil war two years ago.

Defence Force headquarters in Pretoria named the five dead — a warrant officer, three sergeants and a corporal — but, following usual procedure, gave no figures of any wounded. Nor were details given of exactly where the battle took place.

The statement said that last Thursday afternoon a South African patrol clashed with a force of 80 guerrillas of the South-West African People's Organization (SWAPO) on the Namibian side of the border.

The action fluctuated back and forth across the border and the South Africans came under fire from what the state-

ment described as a Swapo base on the Angolan side. South African reinforcements were sent in.

Fighting continued into the night and the South Africans came under fire from two more Swapo positions on the Angolan side. The statement said the skirmish finally ended yesterday morning. It was confirmed that at least 61 guerrillas were killed.

Sixteen South African soldiers have now been killed since July in what official communiques describe as the operational area.

The South Africans have cleared a half-mile "no-go" strip along the entire length of the Ovambo and Karagwan-Bantuan borders with Angola for a distance of about 300 to 400 miles, and it is in this zone that the engagement obviously occurred.

It was an extra significance because of the pressure being put on South Africa to withdraw its troops from Namibian soil and Swapo's insistence that it will not accept the Western independence initiative for Namibia until the troops are removed.

Rhodesia clash: Rhodesian troops fought Zambian soldiers in a day-long border clash, and also killed 26 African guerrillas infiltrating into Rhodesia, the military command said in Salisbury tonight.

A communiqué said that at midnight Zambian troops using mortars, machine guns and small arms had begun "heavy attacks" on Rhodesian forces at Kasungula, who retaliated. There were no casualties on the Rhodesian side, but a Zambian ammunition dump was apparently destroyed.

Kasungula is on the Zambezi river where the borders of Rhodesia, Zambia, Botswana and Namibia meet.

The communiqué also said troops this morning intercepted a guerrilla group which had just entered Rhodesia and killed 26. The Military Command declined to say where the engagement took place. —UPI.

Gloom over peace mission
Page 5

French troops alerted 'for Sahara mission'

French troops are on a state of alert for possible intervention in Mauritania where a number of French technicians are being held prisoner by Saharan rebels. Sympathizers of the Saharan movement Polisario

claim that 1,600 troops have already been flown out. The French Defence Ministry has dismissed such reports as "pure fantasy". Expulsion orders have been served on eight Saharan activists in France. —Page 4

Schleyer tape made public

In a tape recording made public in West Germany, Dr Hans-Martin Schleyer, the murdered German kidnaper, said that almost two weeks before his kidnapping he had made known to Herr Schmidt, the Chancellor, the concern of businessmen regarding security measures. —Page 4

Newton cash handed to police

A large sum of money, allegedly paid to Mr Andrew Newton by Liberal Party supporters as part of a plot to have Mr Norman Scott killed, has been handed over to detectives, together with documents and four tape cassettes with recordings of telephone conversations. —Page 2

Protest over KGB blackmail

America has protested to Russia over an attempt to blackmail an American diplomat into working for the KGB. The diplomat, who was visiting Georgia, was told allegations of collaboration with the Nazis would be made public unless he helped the KGB. —Page 5

Health charges plan decried

Suggestions by Mr Patrick Jenkin, Conservative spokesman on the social services, that hospital care should be paid for and that there should be increased prescription charges were described as "a policy for the disservice" by Mr Laurence Pavitt, MP, chairman of the Parliamentary Labour Party's health sub-group. —Page 2

Day on Mustique

Before ending her Caribbean tour in Barbados and flying home, the Queen has spent a private day with Princess Margaret on the island of Mustique. A planned day of press photographers followed in hot pursuit. —Page 5

Royal filly third

The Queen's filly, Dunfermline, finished third in the French horses, Rex Magna and Trillion, in the Prix Royal-Oak (French St Leger) at Longchamp. —Page 10

Leader page, 13

Letters: On the Crossman Diaries, from Mr David Ennals, MP; on questioning Mr Thorpe, from Mr Jonathan Clegg and the Reverend Lawrence Rigal.

Leading articles: Sanctions against South Africa: Paying for the health service.

Features, pages 8 and 12: Lord Chalfont on South Africa's last chance to prove that reason is not dead; Marcel Berlins asks whether judges are a political force.

Arts, page 7: Michael Church on The London Weekend Show; John Hines on La traviata at the Salle Favart; Paris: Tim Heald reviews The Public School Phenomenon, 1977, by Jonathan Gathorne-Hardy.

Home News: 2-4

European News: 4-5

Overseas News: 4-5

Cricket: 8-9

Appointments: 14, 18

Arts: 7

Monday Book: 7

Obituary: 14

Chess: 14

Court: 14

Crossword: 24

Engagements: 24

Europe Law: 10

8-9

Letters: 13, 16

TV & Radio: 7

Theatres: 7

25 Years Ago: 14

Weather: 14

Wills: 14

Property: 6

Sale Room: 14

Science: 3

Spain: 3-10

TV & Radio: 7

Theatres: 7

25 Years Ago: 14

Weather: 14

Wills: 14

Property: 6

Sale Room: 14

Science: 3

Spain: 3-10

TV & Radio: 7

Theatres: 7

25 Years Ago: 14

Weather: 14

Wills: 14

Property: 6

Sale Room: 14

Science: 3

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Science: 3

Spain: 3-10

TV & Radio: 7

Theatres: 7

25 Years Ago: 14

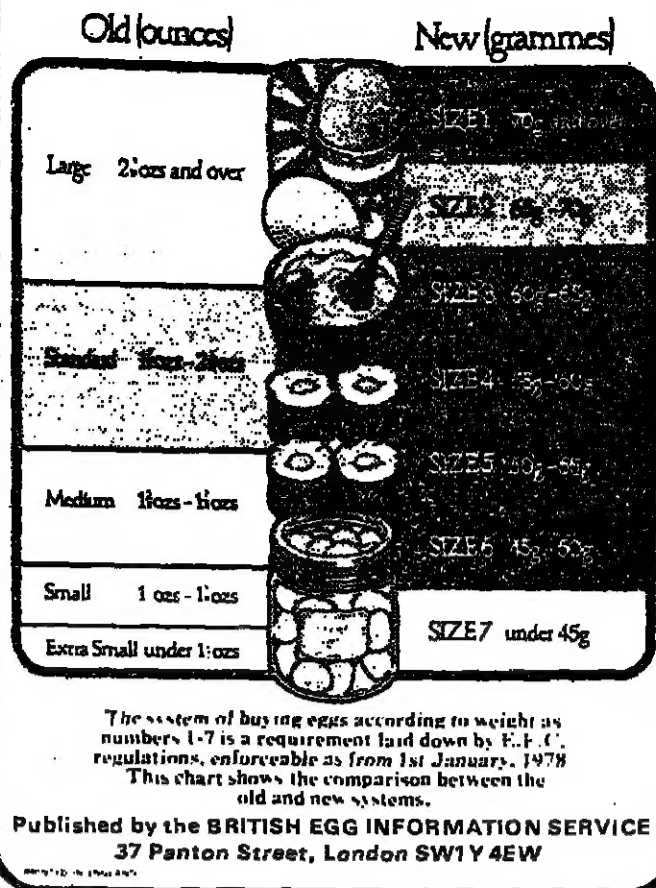
Pilot in Scott affair hands over money

100

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HOME NEWS

Egg weights



Trial run for change in egg grading

By Hugh Clayton
Ministers and traders fear that the change to "numerical European" eggs will be seen, like decimalization and metrication, as a smoke-screen behind which prices can be raised surreptitiously. The change will be more complicated than the other two as none of the European metric grades corresponds exactly to any of the traditional British ones.

The Government has postponed implementing that part of the EEC egg rules until the last possible moment. The deadline for such changes is New Year's Eve and the new egg system will become law in Britain on New Year's Day.

The Eggs Authority has printed thousands of leaflets and booklet-size cards to help grocers and shoppers to understand the new system. There are at present five British grades, based on ounce weights, of which three, large, standard and medium, are sold in shops. There are seven numerical EEC grades, based on gram

weights, of which six may be sold in shops. In this country boxes containing them will be given different colours and the industry has decided to start a running-in period from November 14, when old and new weights may be sold together.

Goldenlay, the largest egg marketing organisation, will operate the new system immediately after that date. Mr Peter Kemp, managing director, said: "There has been a capital cost to packers, but it will not necessarily be reflected in the market because the market is governed by supply and demand."

In the first week Goldenlay would base its prices for the new weights on those for the old and adjust prices after that according to relative demands for the new sizes.

Mr Denis Cummings, chief executive of the Eggs Authority, said that the present weights could be converted to the new for pricing purposes by expressing the present price a dozen in kilograms and then converting back to dozens in gram weights according to the proportion likely to be sold in each metric weight-band.

"I think that could be too complicated for packers and retailers," he said. "It does not take into account current demand for particular sizes."

Hopes of better soya bean crop in two years

Harvesting of the biggest soya bean crop grown in Britain was completed on an Essex farm at the weekend.

But the yield from 12 acres on Mr Brian Green's land at Willingdale will not make much of a dent in Britain's £200m soya import bill this year. As a disappointing eight hundredweight an acre the total will be about five tons, compared with the two million tons imported yearly, mainly from the United States.

Mr Green, however, is not discouraged. He said that if it had been a bad year for sunflower, the crop was sown late, and harvesting was difficult be-

cause most of the bean pods were close to the ground.

"Last year and the year before it would have been a successful crop with much higher yields," he said. "I think we have had enough encouragement to try again."

Mr Green said he would grow wheat on the land next year, to benefit from the nitrogen put into the soil by the beans, and soya again in 1979.

A hundred acres of a Russian rival to the soya bean, a white, edible lupin developed by Soviet plant scientists, which is more adapted to Britain's climate than the soya, has just been harvested on about a dozen farms in south-east England.

Police outside London 4.8pc below strength

The average weekly cost of salary, national insurance, contribution, rent allowance for a police officer outside London is £90, according to figures published today by the Chartered Institute of Public Finance and Accountancy.

The institute estimates that £2.02, or 4.74 per cent, of the Metropolitan Police force receive rent allowances. The maximum allowance varies from £1,034 a year in Surrey to £171 in Derby.

Overall figures show that the strength of police forces outside London on March 31, 1977, was 95.2 per cent of the establishment authorized by the Home Office. West Mercia is the best staffed force, with an estimated strength of 102 per cent of the authorized establishment, and West Midlands is the worst staffed, with only 91.8 per cent.

The institute's statistics show that known offences rose by 0.9 per cent in 1976, and the number of offences cleared up fell by 0.1 per cent. Derby had the greatest increase in crime, with a rise in known offences of 11 per cent. Gwent had the greatest decrease, with a fall of 11.3 per cent.

Police Force and Regional Crime Squad Estimates (Chartered Institute of Public Finance and Accountancy, 1, Buckingham Place, London, SW1, 43).

In brief

Singer is late for concert

Rod McKuen, the American singer and composer, arrived an hour and a half late for the first of two concerts at the Royal Exchange, Manchester, last night. After an hour the management returned £1,000 in ticket money and a belated performance was given free.

Boy's bravery award

Desmond Gale, aged 14, of Orcheston, Wiltshire, was presented yesterday with the certificate for gallantry of the Lord Lieutenant of the county. When he was 12 the boy helped to carry a dangerous gas cylinder out of the village church; shortly afterwards the cylinder exploded.

Record flight

A British Caledonian Boeing 707 airline yesterday cut an hour off the scheduled time for the 4,833-mile non-stop flight from Houston, Texas, to Gatwick. It made the journey in 7hr 56 min 40sec, a record for the flight.

Miners' vote

The result of the miners' secret pithead ballot on a productivity deal is expected to be handed to union officials today, but the result is unlikely to be published until tomorrow, the Electoral Reform Society, said yesterday.

Airport stoppage

Customs and immigration staff at Heathrow and Gatwick airports, London, are to hold a four-hour stoppage on November 3 because of the Government's refusal to reinstate a pay agreement signed in 1974.

WEST EUROPE

French shock troops put on alert as pressure mounts for action to save Sahara rebels' prisoners

From Ian Murray
Paris, Oct 30

France's inter-service intervention force of 25,000 shock troops has been on a state of alert since last Thursday, when President Giscard d'Estaing held an emergency meeting to discuss the question of French nationals held prisoner by Polisario rebels in Mauritania.

The Ministry of Defence here has been quick to point out that this force is always put on a state of alert when any problem arises affecting the interests of France or its allies. It is a routine measure which can be taken on the orders of the Minister of Defence alone.

Nevertheless there has been growing political pressure on the Government to send troops to Mauritania since the seizure last week of two more French technicians, apparently by the rebels.

According to the Association of Friends of the Saharan Republic, a Paris group of Polisario sympathizers, French troops have already been sent. At a press conference yesterday they claimed that 1,600 men had been flown out last Wednesday in 18 Transall transport aircraft. The first 800 had left an airbase near Toulouse for an unknown destination at 2 am.

They were men of the 8th Regiment of Marine Infantry, they said, and an hour later a further 800 men, this time of the 2nd Foreign Legion Parachute Regiment, took off. At about the same time two other Transalls with officers and NCOs of the 35th Parachute Artillery Regiment had flown out of Tarbes.

The Defence Ministry immediately dismissed the statements made at the press conference as "pure fantasy" and made the point that the weapons the men were supposed to be carrying were not yet in use in the French Army. Nevertheless, departure times of this kind do seem to have been given to these very units on that night.

If the troops have not been sent, such an action is still very much in the mind of President Giscard d'Estaing. Since the success of the German raid in Mogadishu to free the Luftwaffe hostages, he has been forced to take account of mounting pressure for France to do something positive to rescue the six hostages held by Polisario since last May and now the two technicians who disappeared last week.

Among the intervention force on alert is a small unit of 80 volunteers who have been undergoing intensive training in all kinds of warfare. They could be airborne within six hours of a decision to send troops to Mauritania.

Armed intervention to rescue the hostages would be all but impossible since nobody knows here where they are being held. However, sending troops to protect the 140 French technicians still working in Mauritania is another matter and it would lessen the call to pull all French nationals out of the area, which is exactly what Polisario wants.

For the present, the Government appears to be doing no more than keeping up the diplomatic pressure. Expulsion orders against eight Saharan activists have been issued, and five of these left France yesterday.

Algiers, Oct 30.—The French Ambassador called on President Boumedienne today to hand him a message from President Giscard d'Estaing regarding the situation in former Spanish Sahara.

Earlier in the day the ambassadors of the United States, Britain, the Soviet Union and China were summoned to the Algerian Foreign Ministry to be informed about "threats of intervention" in Western Sahara.—UPI and Agence France-Press.

Schleyer tape starts Bonn row

Bonn, Oct 30.—A political row erupted today over reports of a tape recording in which Dr Hans-Martin Schleyer, the murdered industrialist, said that almost two weeks before his kidnapping he had relayed to Herr Schmidt, the Chancellor, the deep concern of West German businessmen over security measures.

The newspaper Welt am Sonntag published a transcript of the tape which Dr Schleyer sent to Dr Helmut Kohl, the Christian Democratic opposition leader, a week after being kidnapped in Cologne on September 5.

Dr Kohl told reporters in Munich that he had received the tape and passed it on to the Government, which at the time was embroiled in negotiations to win Dr Schleyer's freedom from his abductors.

Dr Schleyer was quoted by Welt am Sonntag as saying he told Herr Schmidt on August 23

—13 days before the kidnapping—that the country's business community was deeply concerned about what it considered inadequate security measures were being shown by the abductors on September 5. And the information I now possess about the undisputed Herr Schleyer's attempt to use his tape as an indictment of the Government. An SPD statement said this was "a questionable if not thoroughly unworthy venture". It added: "Every one, even F. J. Strauss, must know and bear in mind how statements (like Dr Schleyer's) can be made in such a situation."

Geneva, Oct 30.—A secret donor has given 500,000 Swiss francs (£125,000) to the Swiss lawyer who acted as intermediary with Dr Schleyer's kidnappers. The lawyer wants to give the money back—Reuters and AP.

Danish call to revise air pact with Britain

From Our Correspondent
Copenhagen, Oct 30

Mr Kjeld Olesen, the Danish Minister of Transport, called today for a revision of the 1952 air services agreement between Britain and Denmark. This followed the British authorities' order to the Scandinavian airline SAS to stop flying the routes Copenhagen-Manchester-Dublin and Copenhagen-Stavanger-Glasgow.

The Danish authorities were a form of retaliation after the British Midland Airlines refused a request from British Midland Airways to open a route from Birmingham to Copenhagen.

Mr Olesen said today that British Midland's application had been turned down earlier, but in spite of this the airline had continued its preparations and then submitted a new request, which was also rejected at last minute.

Mr Olesen said that the British attitude appeared to be that the 1952 agreement obliged Denmark to grant an operating permit to the proposed British Midland route just as the two (or in some interpretations three) SAS routes operate under temporary operating permits. Danish sources say that the application was validly refused because there is not enough traffic.

It is clear that the Scandinavian airline opposes the presence of any new British airline in Scandinavia. Although both British Midland and British Caledonian have shown interest in routes to Scandinavia, SAS has used its influence to support British Airways as the only British airline operating to Scandinavia.



Prince Carlos Hugo speaking to the press on his return from exile.

Carlist claimant back in Spain

From William Chislett
Madrid, Oct 30

The Carlist party held its first annual congress since the death of General Franco here today in the presence of its leader, Prince Carlos Hugo de Borja Parma, claimant to the Spanish throne.

Prince Carlos Hugo, who has just returned after nine years in exile, stated that he had not come back to "plant any dynastic problem but as a politician to fight for democracy in Spain". He and other members of his family were expelled in December, 1968, seven months before General Franco named Juan Carlos, a very distant cousin of Carlos Hugo, as his successor.

The prince's claim to the throne arises from the dispute over the succession to Ferdinand VII on his death in 1833. Ferdinand's brother Carlos (from whom Prince Carlos Hugo descends) claimed the throne, but the crown passed to Ferdinand's daughter, Isabella. The position of the Carlist family was then comparable to that of the Stuarts.

"It is very emotional for me to be back in my own country," Prince Carlos Hugo told The Times before the congress started. He said that he was the last political leader to return to Spain after Franco's death because "the Francoist powers which still exist, have always considered the Carlists as a threat. Four times we have been crushed in 150 years and each time we have rebuilt ourselves."

There were three Carlists in the last century and in the Spanish Civil War Carlistist forces, strong in Navarre, one of the Basque provinces, supported the Nationalists. They were fanatical Roman Catholics and fierce fighters. They hoped that when the war was over Franco would restore the monarchy, abolished in 1931, with a Carlist.

Nothing happened and later the Carlist movement split into two factions, a majority left-wing section under Prince Carlos Hugo which believes in a socialist society with "autogestion" (a form of workers' control), and a small extreme right-wing section led by Carlos Hugo's younger brother Prince Sixto.

Many Carlists swam up Montejauna, a mountain near Pamplona, for their annual religious and political pilgrimage. Last year right-wing gunmen killed two members of the Carlos Hugo section and Prince Sixto, present, was expelled from Spain again.

Prince Carlos Hugo told me that he had no relationship whatsoever with his younger brother and did not know whether he would also return to Spain. The prince posed for the cameras wearing the traditional red beret of the Carlist party, slapping young members on the back, some of whom were wearing badges showing the prince's face.

The prince, who is married to Princess Irene of Holland, said his party had four times as many activists as the ruling Democratic Centre Union. The Carlists claim to have 25,000 activists and 150,000 members. Their stronghold is in Navarre and there were delegates at the congress from as far afield as the Canary and Balearic islands.

The prince, who is president of the party and "king of the Carlists" said he was prepared to work with other parties, not just of the left, in order to "avoid polarization into left and right".

Dozens of graves with West German names were discovered here yesterday in Italy in leftist protests over the recent deaths of three Basque-Basque terrorist leaders.—Reuters.

Paris flight paths changed to cut aircraft noise

From Our Own Correspondent
Paris, Oct 30

New flight paths out of Charles de Gaulle airport at Roissy have been agreed, reducing the number of residents affected by the worst of the noise from 110,000 to 16,000.

Since the Paris airport went into service last year, 70 per cent of the aircraft have been taking off towards the west, subjecting the densely populated area of Meaux to a steady stream of supersonic noise. This resulted in the decision this weekend to change the main flight path over the rural area known as "the plain of France". At the same time night flights of the Boeing 707, Caravelle and DC8 jets are to be cancelled.

The relatively small number of people who will now be affected by aircraft noise makes it much more likely for them to obtain compensation.

Explosion kills man handling protest bomb

Rome, Oct 30.—A man was fatally injured in Turin last night when a bomb he was handling exploded in a car beside a garage that sells West German cars, police said today.

Turin police believe two people were involved, but know of only one Rocco Sardone, who died four hours after managing to get to hospital with severe face injuries.

Dozens of graves with West German names were discovered here yesterday in Italy in leftist protests over the recent deaths of three Basque-Basque terrorist leaders.—Reuters.

OVERSEAS

Mr Carter to propose curb on world sale of conventional arms

From Our Own Correspondent
Washington, Oct 30

President Carter is shortly to table proposals to the Soviet Union for a limitation of conventional arms sales round the world.

Announcing this during an interview with American newspaper columnists published this weekend, Mr Carter conceded that the United States was probably "the worst violator at this time", followed by the Soviet Union.

The French, British and Belgians also participated to some degree in excessive arms sales, he said. "We all feel that it is another matter, of course. That is very difficult to address," he added.

It was the first time that the President had disclosed that an initiative to control international arms sales was in the pipeline. His promise nearly six months ago to restrict American sales of weapons unilaterally has been greeted with growing scepticism.

A recent study carried out by the Congressional Research Service concluded, for example, that American arms sales continued to play "a very substantial role" in support of United States foreign policy and national security objectives. "Rather than being used as 'exceptional foreign policy implement' (as President Carter had promised), US arms

sales continue to occur on a rather routine basis," the study maintained.

In the interview, Mr Carter also responded to growing criticism of his Middle East policy, particularly the recent joint Soviet-American statement. Defending the initiative as a "major step forward", the President said he had never violated any commitments made to the Israelis either by his Administration or its predecessors.

The Soviet Union, he said, was now taking "a much more objective and fair and well-balanced position" towards the Middle East, and this augured well for an eventual peace settlement.

In reply to a question about international terrorism, Mr Carter confirmed that his Administration had encouraged the Somalis to cooperate with the West Germans in fighting the recent Luftwaffe hijacking. His Administration was also working closely with Bonn to provide the information it had about terrorist organizations.

He welcomed the fact that many countries, including the Soviet Union, were now taking "a more responsible and working against terrorism." He also implicitly criticized countries like Libya and Algeria which opened "their borders" to hijackers on the grounds that this was the best way to save lives.

Pay threat by pilots in Argentina

From Andrew Tarnowski
Buenos Aires, Oct 30

A threat by Argentine airline pilots to resign en masse tomorrow if their pay is not improved has threatened the most serious strike challenge yet faced by the military Government here.

About 346 of the 360 pilots working for the state airline Aerolineas Argentinas are reported to have made the threat, unless their pay is raised in accordance with a labour contract signed under the previous Peronist government in 1973. Maintenance staff at the international airport are staging two-hour strikes per shift to demand a 45 per cent increase.

But the main strike action has come from railway workers throughout the country and underground railmen in Buenos Aires.

All underground lines have been halted since yesterday day despite an order from the state-owned company to go back to work or face instant dismissal without compensation.

The underground men are reported to be demanding a minimum \$115 a month in place of the \$95 most of them now receive. The railwaymen, who returned to work today pending a pay offer.

Mr Gierek meets Cardinal

Warsaw, Oct 30.—Cardinal Wyszynski, the Primate of Poland, and Mr Gierek, the Polish President, met officially for the first time here yesterday, and exchanged views on the most important questions of the nation and the church, the news agency PAP reported.

Government sources said that the meeting lasted about two hours. They linked it with Mr Gierek's visit to Rome, due to begin on November 28, during which he is to be received by the Pope.

The sources added that the two leaders were believed to have held a "general talk" without going into details of the church's demands for more freedom of action.

Church sources said that the meeting had been held in the presence of both sides and had been under preparation for a long time.

Cardinal Wyszynski is to visit Rome in mid-November, and to have an audience of the Pope.

Sir Harold honoured

Tel Aviv, Oct 30.—The Weizmann Institute of Science today awarded honorary doctorates to Sir Harold Wilson and Sir Harold Wilson, President Kasser, awarded the ceremony.

General Zia goes in search of Islamic states' support

From Our Correspondent
Islamabad, Oct 30

General Zia-ul-Haq, the military ruler of Pakistan, left here today for a visit to Saudi Arabia, the head of a strong military and civilian delegation to begin a visit to Saudi Arabia, the head of a strong military and civilian delegation to begin a visit to Saudi Arabia, the head of a strong military and civilian delegation to begin a visit to Saudi Arabia.

After the overthrow in July of Mr Bhutto, the former Prime Minister, General Zia was felt here that these Middle East and African countries—important sources of aid to Pakistan in recent years—providing almost half of its foreign exchange requirements—were unlikely to support his political development, with the advent of military rule. General Zia said in August that he had no plans for foreign tours during his interim regime.

However, his decision to call off the October general elections, and new plans for social and middle-term economic development, and reconstruction gave the impression that martial law will continue for a reasonably long period, requiring General Zia to secure foreign aid and economic contacts with Pakistan's allies.

Damages for murdered girls' families

Paris, Oct 30.—North Yemen said today it would pay damages to the families of two French girls found murdered near Sana'a.

The girls' bodies were found in a desert near the North Yemen Embassy in Paris, which said Mlle Veronique Truc, aged 26, and Mlle France Scriver, aged 22, were killed by marauders.

The girls' mutilated bodies were found on a lonely desert track near the North Yemen capital a few days after the assassination of President Ibrahim al-Hamdi and his brother on October 1.

An Embassy spokesman refused to comment on foreign press reports that the four had been killed together by religious fanatics who objected to the two Arab leaders consorting with foreign women.

The French Foreign Ministry said yesterday it was preparing to demand compensation for the deaths of the girls. The ministry said it was preparing to demand compensation for the deaths of the girls.

Sadat-Ceausescu agreement on Middle East

Vienna, Oct 30.—President Sadat of Egypt today ended five days of talks in Bucharest with President Ceausescu, the communist leader, to maintain diplomatic ties with Israel.

Egyptian officials said the two leaders agreed on the rights of Palestinians to their homeland and the need for Israel to withdraw from occupied Arab land, including the Sinai desert.

The Egyptian Middle East news agency reported that President Sadat disclosed the final session that Egyptian-Soviet relations and the Soviet Union's role in a Middle East settlement had also been discussed.

Sir George Solti sprains back

Chicago, Oct 30.—Sir George Solti, conductor of the Chicago Symphony Orchestra, fell in a fall today, spraining a shoulder and back, and cancelling last night's concert.

A doctor said that the fall occurred when Solti was rehearsing the orchestra in a rehearsal hall. Solti was heard to say:

OVERSEAS

Rift in guerrilla ranks casts gloom over Rhodesia peace plan

Lusaka, Oct. 30.—Sharp differences within Rhodesia's Patriotic Front guerrilla alliance and the deep dispute between militant blacks and whites over Anglo-American settlement plans have provided a gloomy backdrop for fresh efforts towards a Rhodesian peace starting in Dar es Salaam this week.

Field-Marshal Lord Carver, Britain's Resident Commissioner-designate for Rhodesia, is due in the Tanzanian capital tomorrow for military talks with Mr Robert Mugabe and Mr Joshua Nkomo, the joint leaders of the Patriotic Front.

They are to be joined by General Prem Chand, United Nations representative for Rhodesia, who was holding talks with President Kaunda of Zambia in a remote game lodge today before flying on to Dar es Salaam.

The two negotiators plan to discuss key military aspects of Anglo-American settlement plans, including the mechanics of a ceasefire and the dispatch of United Nations troops to Rhodesia before it becomes independent.

But Mr Nkomo, Mr Mugabe and Mr Ian Smith, the Rhodesian Prime Minister, all object to ceasefire talks before settlement arrangements are agreed. There is growing doubt in Lusaka about the Front's ability to negotiate under the strain of new tensions between its two leaders, occasioned by the dispute between them over the secret talks in Lusaka last month between President Kaunda and Mr Smith.

The Anglo-American peace plan calls for Mr Smith to surrender power to Lord Carver. The field-marshal could then run Rhodesia during a 20-month transition to one-man, one-vote elections. The proposals are by far the most detailed to be presented in a year of settlement efforts.

But the Patriotic Front is united in objecting to the presence of United Nations troops, foreseen in the Western package as providing Lord Carver with support, and wants its own forces to police the transition to a majority rule.

Mr Smith objects strongly to this idea and has emphasized his determination to retain his

own, white-led forces as a prerequisite for settlement that would conform to his aspirations for Rhodesia's future.

The Rhodesian leader favours an internal settlement with what he considers moderate black leaders, bringing in Patriotic Front forces only under the command of his own generals. This, in turn, is rejected by the Front.

There are growing indications here that the exiled nationalists, with some support from the "front line" states—Zambia, Tanzania, Mozambique, Botswana and Angola—who are their main sponsors, want to scrap Anglo-American provisions for pre-independence elections.

In Dar es Salaam, Mr Mugabe said today that the Patriotic Front did not accept the proposed role of Lord Carver. He said the Front had already told Dr Owen, the Foreign Secretary, of their objections.

He told an airport press conference: "We have objected to the power structure proposed in the transitional period. Dr David Owen has our objections on his desk but we have not heard from him."

Meanwhile, in Lusaka, Mr Nkomo's Zimbabwe African People's Union (Zapu) today accused the British Conservatives of aiding the flow of mercenaries to Rhodesia and of helping to finance a black group sanctioned by the white government.

The Zimbabwe People's Voice, Zapu's official weekly publication, said Conservatives were helping the Rhodesian Government with the supply of "military, oil, finance and military expertise including mercenaries."

One Political Correspondent writes: A Conservative Party spokesman in London said the claim was ludicrous.

"The Conservative Party has neither the will nor the ability to aid the flow of mercenaries to Rhodesia," he said. "Even to contemplate doing so would run counter to the attitude and actions of the party in and out of office in the last 15 years."

The Conservative Party is anxious for a settlement acceptable to all groups in Rhodesia.

New Sunday newspaper is launched in Nairobi

From Our Correspondent Nairobi, Oct. 30.

A New Sunday newspaper, the *Nairobi Times*, appeared here today, selling at shillings (15 p). It is edited and mainly owned by Mr Hilary Ngweny, a Harvard-educated Kenyan of 39, who launched the news magazine *Weekly Review* in February 1975. He is today's editor-in-chief of the *Weekly Review* which is now well established.

The *Nairobi Times*, a broadsheet with nine columns to the page, is printed by offset litho in a press installed by Mr Ngweny's company, Shellco. Today's issue has 20 pages, including an eight-page weekend review and a business section plus a 32-page colour magazine.

The newspaper's mixture of news and features includes several syndicated articles from *The New York Times*, *avout* and composition are of very high standard. Reports on such local issues as public transport and low-cost housing, and the front page.

The leading article refers to the problems of the press in Africa, noting that the Government's concern with law and

order and the promotion of economic and social development do not always result in the willing disclosure of information.

The newspaper says that if convinced that it is in the greater public interest to inform the public it will "respectfully choose to differ with those in authority."

Mr Ngweny worked as a journalist in Nairobi from 1963 to 1965. He returned to the United States as a fellow of the Harvard Centre for International Affairs, and came back to Kenya in 1970. He tried to make a career in film production before returning to journalism.

The *Weekly Review* fortuitously appeared at a time of political crisis in Kenya, which gave it a sound start. The *Nairobi Times* appears when Kenya is enjoying a boom resulting from high coffee prices. This should enable it to overcome the inevitable early difficulties.

For the past two years, Kenya has had only one Sunday newspaper, the *Sunday Nation*, published by the Nation group whose principal shareholder is the Aga Khan.

Elections in the Philippines next year

Manila, Oct. 30.—President Marcos of the Philippines, who is ruled by martial law for 10 years, said today he would hold elections to a new party-elected legislative body next May.

He announced this at the start of a two-day session of his appointed Legislative Advisory Council. The council has been set up to prepare the country for elections next year.

He has urged the President to the people in a referendum on December 17 for a new mandate.

President Marcos described the new move as a watershed. He said they would abolish the foundation of a political system peculiar to the Philippines, under which he would retain overriding authority. —Reuters.

Kenya to sever last air link with Tanzania

From Our Correspondent Nairobi, Oct. 30.

Kenya confirmed this week that a ban on scheduled flights between Kenya and Tanzania will take effect on November 1.

Foreign airlines which have provided the only air links between the two countries since East African Airways collapsed in January, will no longer be allowed to serve Kenya and Tanzania on the same flights.

Kenya is cutting this link in an apparent attempt to get Tanzania to reopen its border with Kenya and to remove the ban on flights by Kenya aircraft which it imposed in February after accusing Kenya of causing the collapse of East African Airways by withdrawing financial support.



Farewell kiss: The Prince of Wales ended his United States tour by visiting the San Francisco Opera and kissing one of the singers backstage after the performance of Puccini's *Turandot*. The Prince and Miss Pamela South were exchanging birthday presents in advance, as it were. Both of them will be 29 on November 14. Yesterday the Prince was flying out to Australia.

A private day for the Queen on Mustique

From Michael Leapman Barbados, Oct. 30.

The Queen, on the last lap of her Caribbean tour, was visiting her sister, Princess Margaret, today on the private island of Mustique, about 30 miles from here. She arrives in Barbados tomorrow afternoon, and flies home by Concorde on Wednesday morning.

The Queen was staying at the Queen's Mustique, where she and Prince Philip, who are here for lunch and dinner, was a private one. A small planeload of press representatives, chiefly photographers, planned to be there, however.

The Queen's advisers are already counting the Silver Jubilee Caribbean tour a success. It is hard, really, to see how it could have been otherwise. Visits of this nature automatically bring out thousands of West Indian children, smiling and waving, making the Queen's visit a most enjoyable one.

Only in Antigua was there any trouble, when the Opposition mounted a noisy demonstration against Mr Vere Bird, the Prime Minister, as he was departing for the island of St. John's.

Political rivalries in Antigua are among the most bitter in the Caribbean. The Opposition is convinced that Mr Bird, a veteran leader who lost office for a few years but regained it last year, is employing dictatorial and oppressive methods to ensure that he is not beaten again.

It was legitimate for them to use the royal visit to press their complaints: it would be neither realistic nor desirable to have the Queen restrict her visit to places where political passions are muted.

The purpose of the visits is not to cement the local loyalty to the Crown. The palace's attitude is to facilitate responsibilities has long been that.

Two demonstrators die as Madras police open fire

From Richard Wigg Delhi, Oct. 30.

Two people were killed in Madras today when police opened fire in the second day of violent demonstrations against a visit by Mrs Gandhi to the southern Indian state of Tamil Nadu.

Yesterday the former Prime Minister escaped unhurt when her motor procession was repeatedly stoned at Madras about 300 miles south of Madras. Two of her aides had to be taken to hospital. Her aides protected Mrs Gandhi by throwing blankets over her head as they crouched in the car. About 40 people were injured.

Today's shooting in Madras came at the end of a two-hour battle between about 5,000 demonstrators and police on the route of Mrs Gandhi's car. The protest had been banned by the state Government after yesterday's violence, but the demonstrators ignored police orders to disperse. The police responded with tear gas and charges and

the demonstrators threw stones from behind barricades.

Tamil Nadu's Chief Minister tonight ordered a judicial inquiry into the violence. Mrs Gandhi had gone on a two-day speaking tour. It was intended to show Congress leaders that she remains the party's most attractive personality, able to draw crowds in southern India just as much as in the "Hindi Belt."

But Mrs Gandhi ran into the strong resentment still felt by followers of a local state party, the DMK, for ousting them from the Madras Government early last year.

The demonstrators carried black flags—the Indian equivalent of "go home" banners—and shouted slogans about Mrs Gandhi's "fascist" activities during the emergency.

The State Government, which deftly switched allegiance to the Janata Party after last March's general election, today took into custody the former DMK Chief Minister when he sought to lead the demonstrators.

'Cowboy' ends 14-hour siege in Toronto bank

Toronto, Oct. 30.—A man dressed in a cowboy outfit and armed with a rifle released all 26 hostages he had held for 14 hours in a bank here and surrendered to police early today.

Paul Virtanen, aged 23, gave up his rifle to the National Irish branch manager, who walked out with the last six hostages. A newspaper photographer called in to take pictures of the gunman described him as "a cowboy who waved his rifle in the air and joked about what was taking place."

A dozen shots were fired during the siege to keep police at bay but Mr Harold Adamson, the Toronto police chief, who conducted telephone negotiations with the gunman, said no one had been injured. —Reuters.

Secret police accused of 'dirty smear'

American protest to Russia over attempt to blackmail diplomat

From David Cross Washington, Oct. 30.

A bizarre and clumsy attempt to blackmail an American diplomat on assignment in the Soviet Union into working for Soviet intelligence has provoked a sharp protest from Washington.

A United States Note delivered to the Soviet authorities said that a man claiming to be a member of the KGB, the secret police, entered the hotel room of Mr Constantine Warvariv in Soviet Georgia about 10 days ago, and accused him of collaborating with the Nazis in the Ukraine during the Second World War. The man threatened to make the accusations public unless the diplomat agreed to help the KGB.

Mr Warvariv, a naturalized American aged 52, was waiting in Georgia as deputy head of the American delegation to a major international conference.

A Soviet response delivered last week ignored the protest and simply repeated the allegations against Mr Warvariv. The State Department here said that their employee, who was in his late teens during the Nazi occupation of the Ukraine, spent between 1943 and 1945 in Nazi forced labour camps.

Needless to say, his disclaimer did not impress the KGB man, who returned to the hotel room later with a colleague and a bundle of documents purporting to implicate him. The two KGB men remained in his hotel room for three hours until the early morning.

The American protest Note delivered later the same day described the incident as a "blatant violation of diplomatic relations, unacceptable harassment of a United States diplomat and gross interference by the Soviet hosts with the proper activities of a United States delegate to a major international conference."

A Soviet response delivered last week ignored the protest and simply repeated the allegations against Mr Warvariv. The State Department here said that their employee, who was in his late teens during the Nazi occupation of the Ukraine, spent between 1943 and 1945 in Nazi forced labour camps.

Ironically, the incident might never have come to light had it not been for an article published by the Soviet news agency Novosti. The article contended that the fact that a "Nazi criminal" held a high post in the Carter Administration "clearly shows how much those who capitalize politically on human rights care for them in reality."

Paris, Oct. 30.—Mr Warvariv described the allegations yesterday as "a dirty smear."

Speaking by telephone from the United States embassy here, he said the Soviet allegations were intended to "cover up what they tried to do to me in Tbilisi when they tried to recruit me into the KGB."

Reuter.

Ethiopians 'halt Somali advance'

Djibouti, Oct. 30.—Ethiopian troops have halted the advance by western Somali forces through eastern Ethiopia near Harar, sources said in Djibouti at the weekend.

The Ethiopian forces still controlled both banks of the river, about half-way between Harar and Jijiga, which has been in Somali hands since mid-September.

Diplomatic observers said that the Somali's advance appeared to have stalled in the highlands east of Harar after their swift victories in late summer to take most of the Ogaden desert.

Mogadishu, Oct. 30.—Western Somali guerrillas said yesterday that their forces had killed more than 100 Ethiopian soldiers in a battle between the towns of Gidir and Goba on the western edge of the Ogaden desert.

A report in *Damab*, the newspaper of the Western Somalia Liberation Front, said that Ethiopian troops had fled the area, leaving behind huge quantities of ammunition. Several armoured cars had been destroyed.

Damab repeated the accusation that there were 10,000 Cuban troops in Ethiopia, giving support to government forces. —Reuters.

Vietnamese hijackers embarrass Singapore

Singapore, Oct. 30.—The Singapore Government today faced the dilemma of what to do with four Vietnamese hijackers who hijacked a Vietnam Airlines aircraft yesterday, killing two members of the crew and forcing the aircraft to fly to Singapore.

They shot and then stabbed to death the flight engineer and radio operator of the Air Vietnam DC-8.

The hijackers surrendered to the Singapore authorities last night after negotiating for five hours and finally releasing the 32 passengers and the other crew members of the crew. They are in police custody and are being questioned, a government spokesman said.

Vietnam has so far made no public statement on the hijacking, but is expected to ask for the return of the four men.

Reuter.

Reuter.

Greek 'assassination plot'

From Our Correspondent Athens, Oct. 30.

Strict security measures were taken in Larisa after allegations of a plot to assassinate Mr Constantine Karamanlis, the Greek Prime Minister, while he was addressing a campaign rally there today. The rally went off without mishap.

The reports, published in the pro-Government daily *Acropolis*, said that a Greek businessman travelling abroad had intercepted by chance a telephone conversation in Greek suggesting a plot to murder "a political leader" while he was delivering a belated speech.

Despite the denials of the authorities that Mr Lopez Pablo is in custody, it is believed that he is held in one of the National Guard headquarters buildings in San Salvador.

Prisoners of conscience



Bolivia: Julian Lopez Pablo

By David Watts

Continuing pressure by Bolivian workers for improved standards of living have led to increased repression of the peasant class.

Señor Julian Lopez Pablo was a patient in the health centre in the village of San Pedro Perulapan a year ago when he was taken away by men identifying themselves as agents of the national police. They were accompanied by a village official of the paramilitary organization Orden.

Orden is nominally a civic organization, headed by President Carlos Humberto Romero, but is said to work closely with the security forces in rural areas. The police took Señor Lopez Pablo from the village in an ambulance and he has since "disappeared". The authorities deny that he was ever detained.

The missing man is a member of the Union de Trabajadores del Campo and the Federación de Campesinos Curtianes Salvadoreños. Both unions are in the vanguard of demands for agrarian reform, although agricultural trade unions have no legal status in a country where the majority of the land is owned by a number of wealthy families, and the peasants have little hope of advancement through acquisition of their own property.

Pressure from landowners' associations led to the abandonment of draft legislation for land reform proposed by the Government of former President Arturo Armando Molina in 1976. Since then peasant organizations have become more militant.

There has been increased squatting on unused land; and the increasingly vocal peasants have been met by a steady escalation of governmental violence.

Despite the denials of the authorities that Señor Lopez Pablo is in custody, it is believed that he is held in one of the National Guard headquarters buildings in San Salvador.

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A Times Profile

Mrs Mary Whitehouse
A certainty that everything
is either black or white

In July Mrs Mary Whitehouse brought a private prosecution for blasphemous libel against *Gay News*, the homosexual paper which had published a poem about a Roman Centurion's homosexual love for Christ at the Crucifixion. It was the first case of its kind to be heard for 56 years, and she won it. The paper was fined, and its editor given a suspended prison sentence. (He has since appealed.)

The point of this is less the rights and wrongs of the case—many people were troubled by the imagery of the verse—than Mary Whitehouse's reaction to it.

While the jurors appeared to be vacillating about the verdict, Mrs Whitehouse prayed. She prayed out loud for the uncertain jurors to be enlightened, guided by the Lord to see the truth. That there is a truth, a black and a white, Mrs Whitehouse has never for a moment doubted.

This kind of singular certainty stamps her reactions. There is something very comforting about it, especially when dealing in issues as troubling and confused as censorship and morality. The blanket fundamentalist approach has won her many supporters in the past 10 years, people who see in her a symbol of hope in a decaying England, a Joan of Arc scouring the country of pornography from the streets.

But it has also made her vehement enemies among those who fear the repressive forces of guilt far more than the dangers of a changing and experimenting society.

Mrs Whitehouse was a 52-year-old art teacher at Madeley Secondary School, in Shropshire, married to an industrial coppermith with three sons, when she launched the *Clear-Up TV* campaign in 1963. Her concern was very simple. As a senior mistress she was also responsible for the health and welfare of her pupils, and she had begun to detect a good deal of sexual and moral confusion in their minds. She knew that they were watching on television. "Then as now my chief concern was with children," she says.

It wasn't just the discussions on premarital sex that she objected to, though those, to a believing Christian, were a moral position had been formed by many years membership of Moral Rearmament, were clearly upsetting. It was what she has constantly referred to as the "new morality" of the Sixties, and especially of 1963, which in her mind has become synonymous with all that is most evil.

She calls it a "extraordinary year, a climactic year" with the Profumo scandal, the satirical show *That Was The Week That Was*, the Bishop of Woolwich's *Homosexuals*, and the kitchen sink theatre. It was also the year in which Dr Alex Comfort defied on television a chivalrous boy as one "who takes contraceptives with him when he goes to meet his girl friend."

During the long summer holidays, Mrs Whitehouse learnt that the BBC's Charter was due for renewal at the beginning of 1964. This gave her a chance to act. She gave a friend, Mrs Norah Buckland, and together the two women drafted a petition objecting to the "propaganda of disbelief, doubt and dirt" broadcast by the BBC.

The petition was to attract nearly half a million signatures in the next two years, and in the meantime 37 choicest of supporters from all over the country turned up one evening to attend a public meeting in Birmingham town hall.

The BBC had its Charter renewed nonetheless, but before long the *Clear-Up TV* campaign, had turned into the National Viewers' Association, National VALA as it is known, which gives it a sourness, vaguely Wagnerian air.

Today National VALA has 31,000 members, though since 1960, representatives of Mrs Whitehouse believe that actual support runs as high as 3,000,000 people. Its aim is to make television producers in particular more aware of the opinions of ordinary viewers. The organization is run from an office in the Whitehouse home, a bright, pleasant room looking out onto the garden and bursting with photocopying machines, electric typewriters and piles of papers and books; on the wall there is a photograph of Mary Whitehouse shaking hands with the Pope. (She joined a group of German laymen concerned with moral pollution on a visit to the Pope in 1971, and left behind her copies of the *Little Red School Book* and the *School Kids Oz* for the Vatican to study.)

The work is done by Mary Whitehouse, a rosy of part-time volunteers, a boyish-looking civil servant called John Beyer, and Ernest Whitehouse, Mary's husband, a dour and somewhat silent man, committed to a literal interpretation of the Bible.

Mrs Whitehouse's official position at National VALA is that of voluntary General. It gives her a base, but it is no Secretary and spokesman. The position is important because coincidence that everyone in this country has heard of Mary Whitehouse, while few people could identify National VALA with any confidence.

Mrs Whitehouse is National VALA. Before making a pro-

nouncement she talks to fellow members over the telephone and asks for their opinions; but there consultation usually ends. There are few official policy meetings. Without her it is in fact very hard to see the group surviving at all. But while she is there, National VALA gives Mary Whitehouse a platform from which to pronounce, with some assurance, but no obvious qualifications, on anything that captures her interest.

And pronounce she does: on sex education, the permissive Sixties, religious instruction, violence on television, pornography, masturbation and blasphemy.

Her genius lies in her ability to make people listen to her. If she is, as many say, a simple creation of the mass media, who find in her a cooperative and photogenic representative of the censorship lobby, always available for the quick quote and the predictable sense of outrage, she has also managed to use that to secure her own creation.

Mrs Whitehouse today is as canny and able a self-publicist as anyone around. And yet to have hit so precisely on a national feeling of anxiety and to have pursued it so tenaciously is no mean achievement for a woman of little academic training and who says of herself that she is basically just an average housewife.

There is by now a very familiar scenario for the first meeting between Mary Whitehouse and a journalist. The story runs that the sceptical reporter sets off from London to visit her house, near Colchester in Essex, in a balmy state of mind, expecting an encounter with a battler. Instead she finds herself drinking tea in a charming English garden with a delightful good tempered woman, quite won over by her charm and simplicity. She charms him into London, and writes about this charm and simplicity.

The temptation is certainly there. At 57 Mrs Whitehouse is indeed a cheerful and agreeable figure. Her garden, which she looks after largely herself, is enviable and her photographs do not do justice to her manner, nor to her robust good health and rosy cheeks. But there is something instinctively offputting about the special voice—somewhere between fervour and the bracing tones of the gym mistress—which she declares articles of faith, and whose pronouncements on issues that have perplexed laymen and theologians for centuries.

It would be nice to believe in Mary Whitehouse's vision of a better, brighter, easier world, where the particular faith one cannot. And if this cherry, middle-aged woman with her good health, sensible shoes and perfect teeth is no more than a fervent evangelist, preaching a crusade of clean living, repression and innocence, why do so many people listen to her? Do they in fact listen?

Mrs Whitehouse's name is strongly identified in many people's minds with an obsession with the sexual content of films and literature. She herself says with some irritation and anger that she is "sex-negative" because "sex is evil," that she complained about violence on television long before the recent Belson report, and that religious education in schools worries her just as much as pornography. The fact remains, though, that she has very strong, and not always abundantly clear, views about sexual morality.

Briefly these appear to be, to quote from *Whatever happened to Sex?* published last year, is "worshipful, but only when 'sublimated in service' or 'expressed in love'; this is private sex between married people and is sometimes seen as a spiritual sex to do with man's essence. Hence Mary Whitehouse's passionate battles over sex education (which she believes should be left to parents) and contraceptive education (which she believes should be left to the State)."

On the surface Mary Whitehouse's opinions appear to have nothing more in common than a Godly conservatism. They fit into a coherent pattern howsoever, derived from Calvin and spread by the Puritans, a theology which regards man as utterly depraved and saved only by faith in Jesus Christ. Nostalgia for that Christian Golden Age of almost universal Christian faith seems to lie at the heart of her pronouncements and attitudes. Few church leaders today share either this theology or this view of past and present, which does something to explain the impatience she feels towards them and the misgivings they have about her.

However, Mary Whitehouse, more than aware of the fact that Moral Rearmament is

at womanhood you hit at the family," she said. Or, as she put it in *Whatever happened to sex?* "The role of the mother and the housewife is the central theme of human community. If that role be destroyed then society itself cannot long survive."

Neglect these strictures at your peril: a weakened and depraved society is a vulnerable society. "Sexual anarchy," she warns, "is the forerunner of political anarchy. Political anarchy is the precursor of either dictatorship or destruction." And: "Infiltration by the far left in industry, industry and political life is only to be avoided by making the Mary Whitehouse way—the path carved out by love and passion of Christ."



She has in fact always been determined to keep National VALA independent, free of all religious and political ties, though she says that she has recently been moving closer to the Conservative Party since Mrs Thatcher is more sympathetic to her views than anyone in the Labour movement.

She has in any case antagonised many of her natural allies in the Church by what one Anglican called her "complete lack of subtlety and bluntness of approach." And by her frequent accusations that the Church is spineless in its attitude towards the Permissive Society.

Another prominent layman in the Anglican church said she "regretfully has had always avoided her. She could have helped us all but she has taken such a dogmatic position over religious issues that we are in fact complicated and need to be dealt with delicately. She has annoyed people by discrediting their very genuine concern for what was happening."

He maintained that her shrewdness in dealing with people does not appear to be accompanied by any charitable desires to give others the benefit of the doubt, nor by any perceptible intellectual humility. He added that her tone of moral indignation was felt by many to be counter-productive.

Seen in the context of an all embracing, evangelical religious faith, Mrs Whitehouse's crusade becomes easier to understand: while pornography depraves, and thus weakens British society, it is also quite simply wrong because it is not in keeping with the divine laws.

Michael Tracey and David Morrison, authors of a two volume study on National VALA to be published next year by Macmillan, carry this point further. They say that Mrs Whitehouse's campaigns are not about sexual permissiveness at all but about the secularization of British society, of which it is simply a symbol. Their view is that a clash between Christianity and the secular forces of television is especially threatening because it is piping the values of these secular forces straight into the people's homes.

Over the past 13 years Mary Whitehouse has lashed out in an often wild and indiscriminate way. She has stricken Chad Varah, founder of the Samaritans, the Family Planning Association, the National Council for Civil Liberties, and the British Humanist Association. Chief villain is Sir Hugh Greene, Director General of the BBC from 1960 to 1969, who she says in her book was "above all responsible for the moral collapse of the 60s and 70s."

There are a few heroes: Dr Spock returned to the fold, and Arianna Stassinopoulou (for her book *The Female Woman*). Many of her targets have replied in kind to her scorn, and abuse of Mary Whitehouse has frequently been of an extremely petty kind.

However, these attacks have both strengthened her faith and provided her with platforms for reply. They have also made her somewhat touchy, and there is a curiously vulnerable note in

the way she rings around her friends daily for reassurance that she is doing right. (Steven Stears, secretary of the Nationwide Festival of Light told me that they talk every day.)

Her books are full of stories of slights and personal abuse, most of them from the media—the list alone is some indication of the way in which she thrives on and exists through newspapers and television.

I asked her what she felt she had achieved since she gave up teaching to run her campaign full time in 1965. She listed the banning of the American blue movie *Deep Throat*, the blasphemy case and keeping Thorstein (the Danish film maker who wanted to make a film about the sex life of Christ) out of the country. She said she felt that National VALA had given ordinary people the feeling that they had some say in television.

She spoke of the new openness on her lecture circuit (she is a fluent and competent speaker, both brisk and cosy and gives on average a talk a day, or three major ones a week). In the universities where she once went, with a new breed of Bible reading students, who treat her with respect at union debates. "I am confident that the new generation is rebelling against the fantasy and silliness of the permissive society."

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In the film and television world in particular very few people are prepared to attribute value to Mrs Whitehouse's influence. One documentary producer granted her a certain "nuisance value" especially in broadcasting, and another said that he regarded her as one of the many hurdles that she have to take in the obstacle course of making films. Most of the people I talked to were considerably less sanguine.

One film producer said: "Mrs Whitehouse is about as constructive on her subject as Enoch Powell is on race relations." A former television executive added that she appealed to the liberal element in this country and that her views were "often perilously close to the fascist mentality."

He had some reason for the severity of his view: after Mrs Whitehouse's personal attacks on him in the past he used to get floods of obscene letters pouring through his letter box.

These people bitterly resent what one described as an "interfering busy-body imposing her parochial views on society." They resent too the fact that, as they see it, she is not prepared to argue her case, and that she is openly scornful when they declare that they themselves are extremely alive to the pitfalls in using violent and pornographic material.

They are all, however, prepared to concede her one very good role. She has become a champion for people in this country who feel that the liberal position has gone too far. For them she is an essential focal point, a courageous woman who despite ridicule articulates their often muddled but genuine religious beliefs. She is too much violence and too little faith abroad; who wish that sex education had a little more to do with morality and a little less with biology (it is revealing that anxiety over sex education is what spurs parents to join National VALA); who sense that their children are watching things on television that will harm them, but don't know how to object. She speaks for them, and that is important.

It is when she gets on to sex and quick stricter censorship and the need for a degree of consciousness of something wrong in order to produce healthy views become worrisome. It is partly that the kind of society she stands for could put a stop to creative experiment, and people inevitably ask what makes her so certain that pornography will lead to moral decay? That broadening that curriculum of religious education to take in other faiths will make children lose their sense of security? That contraception will lead to promiscuity?

None of these views, her obsessions, her extreme conservatism and evangelical Christianity, nor her seeming reluctance to face any serious analysis of the problems would matter much were they not allied to such obvious powers of leadership and organization. As it is her critics fear that all her appeals are to a darker age of sexual repression, to guilt and the immense unhappiness it causes. And a lot of people listen to her.

Caroline Moorehead
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SPORT

Ice skating

Cousins in
superb
display on
final day

Moncton, New Brunswick, Oct. 30.—Robert Cousins of Britain, skated superbly in the face of a strong threat from the American, Charles Tickner, last night to win the individual gold medal for men at the Skate Canada. Tickner finished second and American, Scott Grier, took third.

Cousins, who finished second in the event last year, said: "I'm happy that I won, but I'm very unhappy with the way I skated. For the first time, I went into a final being in first place and it felt strange. I'm going to have to learn. It happens again, to cope with it."

In spite of his displeasure, Cousins landed poorly on only one jump and was the only skater to do a combination jump which included a triple toe double.

The British pair, of Janet Thompson and Warren Maxwell, won the ice-dancing gold medal. Marina Zueva and Andrei Vinogradov of the Soviet Union won the silver medal; Lorna Wigton and John Dowling, of Canada, the bronze.

The world champion, Linda Fratianne, of the United States, completed her free-style programme flawlessly to win the women's title. Linda's sister, Heather Kunkert, of Canada, the bronze. Rumi Watanabe, of Japan, finished fourth.

Tennis

Rothwell not too old at 22
to earn recognition

Clive Rothwell, 22, from Eastbourne, was playing his only fifth event since returning to Britain this summer after five years of studies in Florida, was a clever 6-3, 7-6 winner of the men's singles final in the tournament, sponsored by Slazenger, at Bournemouth on Saturday. He beat the number three seed and fourth ranked Dutch player, Theo Gortner, in a fierce battle of left handers.

The British team manager, Paul Hutchins, was there to see the unexpected Rothwell come through against the odds. As a junior Rothwell grew up in the shadow of Buster Mottram and John Lloyd and believing there was no future for him in tennis he went to university in America.

Now he has a chance of international recognition for Mr Hutchins said: "There are not many people who could begin a tennis career at 22 in this country but if I could see him doing well in more British tournaments, especially the American players, he could still get into my squad. This is the group from which the British Davis Cup team is selected."

Clive's father, the 19-year-old Clive, was a former Wimbledon champion. He was in the group from which the British Davis Cup team is selected.

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Winners for Britain: Janet Thompson and Warren Maxwell.

of the competition—compulsory figures, compulsory short programme and the free-style final. She said she was "a little bit nervous" because it was her first competition since winning the world title in Tokyo last March. "I'm happy with the way it turned out," she added.

Lisa-Marie Allen, of the United States, won the silver medal, Heather Kunkert, of Canada, the bronze. Rumi Watanabe, of Japan, finished fourth.

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Borg resists
a brave
effort by Lloyd

Battle, Oct. 30.—The Wimbledon champion, Bjorn Borg, of Sweden, beat John Lloyd, of Britain, 6-4, 6-2, 6-3, to win the men's singles title at the Swiss indoor tennis championships in Biel. Lloyd put up a brave fight but was seriously threatened by Borg.

The British player impressed with his accuracy during the surprisingly long rallies on the hard court and Borg had some trouble with Lloyd's knuckles in the first set.

In the third set, Lloyd broke Borg's service to level at 3-3. Borg won the match's decisive fourth set and Borg had some trouble with Lloyd's knuckles in the first set.

Borg, who received \$10,000 (\$5,000) as first prize, said that he had to play his best to overcome the challenges of the opponent. Lloyd, who lost previously, said that he was "a bit nervous" because it was his first competition since winning the world title in Tokyo last March.

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Horse show

West Germany
break
their duck

London, Maryland, Oct. 30.—West Germany and his horse, Cyranus, broke the duck of the West German team by winning their first win at the Washington International Horse Show. Melnikoff, a 12-year-old West German, was the victor in the 46-50 age group, beating his closest competitor, Jean-Guy Mathers of Quebec, on First Mounty, by only one vote of a second in the speed class.

Melnikoff, 35, of Aachen, attributed his win to "a lot of luck" and a good horse, Cyranus, a 12-year-old West German, was the victor in the 46-50 age group, beating his closest competitor, Jean-Guy Mathers of Quebec, on First Mounty, by only one vote of a second in the speed class.

Melnikoff said he knew after the first round that things were going well and he began to relax more in hopes of winning first place. He is a veteran rider who has won many international classes in Europe. At the conclusion of Saturday's international jumping the United States team was well in front in cumulative team standings with 115 points. Britain were second with 53, followed by Canada with 45 and West Germany with 33.

Coming third in the class was Michael Metz, riding Grande, followed by Dennis Murphy aboard "Ving for Silver" and by Barbara Edwards, riding "The Prince of Wales".

At the start of the game Bedfordshire took the right role to go with Ellis and Player making good progress against the opposition and testing the goalkeeper with slugs.

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Hockey

Bedford defence cannot
keep up with Gallop

By Sydney Friskin
Bedfordshire 1 Oxfordshire 2
Bedfordshire have every chance of finishing on top of their group in the Eastern section of the county hockey championships, provided they correct the mistakes they made against Oxfordshire at Luton yesterday. They put themselves at risk by relaxing after taking an early lead against a side with limited resources but a more resilient spirit.

If they hope to beat Essex next week Bedfordshire should make full use of their wing forwards as Oxfordshire did. The scorers and pickers in the game were superior, and their front running much smoother. This was by Oxfordshire, who were beaten 2-0 by Buckinghamshire last week, should encourage them for their match next Saturday against Sussex in the Southern division of the championships.

For about a quarter of an hour Bedfordshire's stick players, inspired from behind by David "The Captain" Friskin, who had a splendid game in Oxfordshire's defence, soon became an impassable barrier and much of the home side's attack and picking was disrupted by Wilson who brought all his experience with Wales and Great Britain into the game.

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Swimming

Schoolgirl wins
acclaim as
Games prospect

Janet Parry, aged 12, of Slough, who is thought to be the best all-round sports girl in Britain after her 51.20 metres free-style win in the national schools' swimming championships at Coventry on Sunday, is facing a dilemma. Her father, who is a fast swimmer himself, also wants her to become a professional swimmer.

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Cambridge backs dominated the first half to lead 12-0 and when the Irish international scrum half Robbie kicked a penalty soon after the restart they were 15-0 up. Adams and the first win in the north was a natural term in the more serious nature looked to be well on the way. But there followed four tries for Northampton, from Cannon, Poole, Carter and Bignell, and Carter converted one.

Cowenry also showed their power in the second half in beating Blackheath after Blackheath had opened up a 13-3 lead. Rossborough was in good kicking form again as he landed four penalties and a conversion.

reportation
ionals

Pouring your first Chivas can be
an unnerving experience.



Are judges a political force in their own right?

The most recent outburst of anti-judge feeling on the part of the left, following decisions such as that of the House of Lords in the Tameside case and the Court of Appeal in *Gouriet*, was, as usual, countered with equally unrealistic and exaggerated comments by some defenders of the judiciary.

The arguments presented by each side followed the traditional pattern. Those attacking the judges pointed to the fact that all but a handful of them came from the upper social and economic brackets, and were educated at public schools and Oxbridge.

They listed the many decisions made against the interests of trade unions, students, political protesters, squatters, comprehensive schools and other parties to litigation who might broadly have an affinity to left-of-centre politics.

The conclusion they drew was that judges, being conservative with a small and, privately, often with a large "C", showed bias in dealing with cases involving parties who had offended against the principles they themselves favoured.

The response took the form of emphasizing that the task of judges was solely to interpret the law as it stood. Politics did not enter into it. If the law was such that a decision seemed to act against the rights of trade unions, that was the fault of the law, and not of the judges. It was Parliament to change the law, not for the judges to bend it.

Where judges did in fact "create" new law, they did so totally without any political considerations.

Professor John Griffith of the London School of Economics belongs to the camp that believes that judges are political and make political decisions. But he does not take the crude view that they show active bias or partiality. Indeed, he specifically acquires them of that.

The Politics of the Judiciary, published today, is a closely argued analysis of the political role played by judges. His thesis is based on the proposition that judges have, by their education and training and the pursuit of their profession as barristers, acquired a strikingly homogeneous collection of attitudes, beliefs and principles, which to them represents the public interest.

That leads them to make decisions in which three main factors predominate: first, the interests of the state, including its moral welfare, and the preservation of law and order, as being more important than the liberty of the individual; secondly, the protection of property rights; and thirdly, the promotion of certain political values normally associated with the Conservative Party.

Professor Griffith questions the widely accepted view that the judiciary constitutes an independent force standing between government and authority on the one side, and the individual on the other. In the

overwhelming mass of circumstances, he says, the judiciary is placed constitutionally alongside, and not in opposition to, the Government. They are an integral part of it.

It follows from that that judges will normally tend to support government or authority generally, and that the individual should not normally look too optimistically for help from the courts when he is in conflict with authority.

There are, however, exceptions, and it is here that the political element plays a substantial part. Professor Griffith argues that judges are more likely to support the individual when he appears to be opposing political policies which are seen by the judiciary, from their conservative and class viewpoint, to be contrary to their definition of the public interest.

It is therefore inevitable that they will favour—sometimes unduly—the containment of trade union power, the maintenance of property rights (however unfair in social terms), the morality of the Church and the forces of law.

On that analysis, the lack of reluctance which the courts show in striking down decisions made by ministers and departments during Labour administrations, compared with the few cases in which they have decided against Conservative political interests, is explicable.

Professor Griffith puts it no higher than that "Labour governments are more likely than Conservative governments to act in ways which offend the judicial sense of rightness, the judicial view of where the public interest lies".

It may come as a disappointment to those who accept his general argument that it leads him to the conclusion that a Bill of Rights for Britain, based on the European Convention on Human Rights, would not be desirable. It is difficult to see how the welfare of the individual would be promoted by having some of the convention's provisions interpreted by the judiciary of today, he says.

Nor does he believe that grammar and comprehensive schools, graduating at red-brick or new glass universities, becoming barristers, and then judges, would make the judiciary necessarily less conservative.

"The years in practice and the middle-aged affluence would remove any aberration in political outlook." Moreover, unorthodoxy in political opinion would anyway, in practice, be a certain disqualification for appointment as a judge.

Professor Griffith does not attempt to provide any facile solutions to remedy the situation he has described. The strength of his book is that it presents a clear, cogent and without hysteria, a controversial view on a subject of discussion of which has been sadly lacking in intellectual weight up to now.

Marcel Berlins

The Politics of the Judiciary, J. A. Griffith, Fontana, £2.25.

A last chance for South Africans to prove that reason is only asleep, not dead

Lord Chalfont

It is, of course, entirely possible, if somewhat unlikely, that Mr. Stephen Biko slipped and fell in his prison cell, sustained severe damage to his head and kidneys, and died, in spite of the frantic efforts of his guards to save his life. We shall not know the truth until the inquest on his death is completed—and given the apparently psychotic determination of the South African Government to silence opposition at all costs, we may not even know it then.

It gives me no pleasure to write these words, or those which follow, as I have been one of those who believed that, with a measure of sympathy and imaginative statesmanship from the rest of the world, Mr. Vorster, in spite of his apparent intransigence, would eventually be persuaded to modify some of the more offensive aspects of his intolerable regime. It is true to say that the rest of the world has shown neither sympathy nor imaginative statesmanship.

The United States has made South Africa the target of some of the most bizarre and insensitive exercises in diplomatic intransigence since Mr. Khrushchev took his shoes off in the United Nations, and the British Government has traduced the unfortunate Dr. Owen into endorsing the ludicrously irresponsible parody of one-man-one-vote. No one who knows anything at all about South Africa really believes that universal suffrage on the Westminster pattern is relevant to its problems, or that even if it were, the Afrikaners would not use it to impose their will on the rest of the country.

It was inevitable that this display of sanctimonious and patronising hubbub by the West would infuriate even the most enlightened of Mr.

Vorster's supporters. When I was in Johannesburg a few days ago bitterness filled the air like a poison gas. The mood of the Government was reflected in the words of one disenchanted political writer—there has always been a tendency among American Presidents to assume the role of Pontius Pilate when frustrated in their efforts to play the Messiah.

Yet, all that having been said, no amount of feeble-minded foreign meddling can explain or excuse the latest South African assault on government by fear. By closing down newspapers and organizations whose only crime has been to criticize and by putting into prison cells people whose only crime has been that they might criticize, Mr. Vorster has made a cruel and bloody convulsion in his country almost inevitable, and has lost the few friends he still had in the western world.

There are those who will say that this is how Mr. Vorster has always behaved, and that nothing much has changed, but this is to ignore the fact that until the recent bout of totalitarianism, South Africa had a press which, if not entirely unfettered, was at least not afraid to inquire and to criticize. Now it is a country which has muzzled its press without even the freedom of all its other freedoms as well. Against this background Mr. Vorster's claim to be a strong basion against the spread of communism in Africa loses some of its appeal.

It may be a valid claim, but the evil of communism lies not in the fact that it is based upon an alien and repugnant political philosophy, or that it implies the practice of a perverse and disastrous economic system; it lies in the demonstrable fact that whenever a country chooses communism as its

instrument of government, the result is the systematic denial of human rights, the freedom to speak and write are assailed.

Men and women are thrown into prison without trial, or on conviction of crimes, which in a civilized community would be regarded as nothing worse than legitimate dissent. The secret police are behind every arrest and at the end of every vista is a gallows, but no one who stands, however resolutely, against this atrocity should expect the gratitude or support of the free world if, in doing so, he creates a wasteland of the human spirit which differs from communist totalitarianism only in its position on some theoretical political spectrum.

For me, and I suspect for many others who share my views on the politics of southern Africa, a line of some kind has been crossed. I remain a friend of the people of South Africa, but not of a government which treats human dignity with contempt and denies its power and independence. Yet it may still not be too late to turn back. What is happening in South Africa might just conceivably be only the sleep of reason and not its ultimate death.

The one hope lies in those white South Africans, who once led me to believe that peaceful and compassionate change was possible. They are to be found at almost every level of national life. In the government itself there are men who, although they are now taking the ritual noises of laager-vivacity, privately realize that the present policies of racial discrimination are discredited and disastrous.

One of them is quite frank in private that if the major discriminatory legislation did not exist, no modern South African government would be mad enough to invent it.

Among the backbenchers of the National Party in Parliament, there is a widespread desire to see the end of the more offensive manifestations of apartheid, to liberalize the political system and to remove the more blatant social injustices. The white opposition, although to some extent irrelevant in the confrontation between the Afrikaner establishment and the black majority are unequivocally in favour of radical change.

It is, however, in the white business community that the greatest force for change resides, since organizations such as the Association of Chambers of Commerce, the Federated Chamber of Industries, the Afrikanse Handelsvereniging and the Urban Foundation apply a steady and constant pressure for change in some of the main areas of racial discrimination—job reservation, educational segregation and the group areas Act which imposes rigid residential segregation and has given rise to the intractable problem of the urban black. Some white businessmen openly attack those twin pillars of the temple of apartheid—the Immorality Act and the Mixed Marriages Act, which forbid interracial sexual relations or marriage.

The motives of the businessmen are not entirely without an element of self-interest—their aim is to restore the flow of foreign capital to both the public and private sectors of industry. Yet this does not invalidate their main argument which is that unless there are substantial moves in the direction of real political and social reform, the inevitable turbulence will isolate South Africa from its sources of foreign investment, and the economy

of the country will wither and die.

It may, of course, be too much to hope that, in the forthcoming elections, these opinions will be translated into votes. They are, after all, held by an élite within the white establishment. The majority of Afrikaner voters, including those farmers and urban workers who fear the effects of unrestricted black competition, are likely to support Mr. Vorster without question.

If, as seems likely, the National Party wins an overwhelming victory at the polls, it is not too difficult to write the script for the next act in the South African drama. The government's further assault on the basic freedoms of the country will have been seen to be endorsed and it will have a mandate for whatever further measures in that direction it sees fit to take. Already the United States has called for the scrapping of the group areas Act, and it will not be long before there are demands for the imposition of general sanctions, and the cessation of all trade with South Africa. In the ensuing economic crisis, the Afrikaners will grow steadily more violent and irreversible. The Afrikaners will withdraw into their cherished laager, and the vicious spiral of revolt and suppression will climb still further.

From this powerful political and military base, the present government may be able to survive, after a fashion, for many years, but they will be years of misery and bloodshed for South Africa, and they can have only one end—a terrible catastrophe, through which the whole of southern Africa and the bloody annihilation of its only effective and stable government.

Before the scarred ranks of the left begin to rub their hands

at this prospect, let them reflect what it means, not only for South Africa, but for the free world as well. The strategic realities have not changed simply because American foreign policy has suffered a paralysis of the imagination and Mr. Vorster has reached for the handkerchiefs. It needs to be said once again that South Africa is one of Britain's most important trading partners, that it owns a large share of the mineral resources upon which the prosperity and security of the West depends, that its ports control the sea lanes which link the Indian Ocean to the South Atlantic and along which the vital supplies of Middle Eastern oil reach Western Europe. If South Africa collapses in chaos, we shall not escape the consequences.

I suppose it is too much to hope that the leaders of the West will be moved by these arguments, and indeed, in the light of Mr. Vorster's recent moves it is difficult to see how they can reach the political demands upon them to exert more and more economic pressure on this discredited regime. It is also too much to hope that the more enlightened white opinion in South Africa will translate its feelings into a substantial vote of no confidence in Mr. Vorster. Certainly he cannot be defeated, but if all those who believe in real political and social reform were now to register their votes in the forthcoming elections, the National Party to seek a change of leadership, there might yet be some hope of avoiding what is beginning to look like inevitable disaster. If they are not prepared to do this, they should, at least, realize that this is almost certainly their last chance.

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John P Mackintosh

Britain still has the image of a reluctant European

The Prime Minister's recent letter to Mr. Ronald Haywood, Secretary of the Labour Party, setting out the Government's policy towards the European Community was judged by politicians and the press almost entirely in terms of its impact on domestic disputes within the Labour Party; very few asked whether it furthered this country's real interests in Europe, whether it would improve our standing with our partners or whether the changes demanded were attainable.

Society considered as a pre-emptive strike against the extreme opponents of Europe, the statement and its timing were adroit in that it divided the anti-Marketters, took attention away from the national executive's much more open attack

on British membership and prevented any call for withdrawal.

But there was a price to be paid for avoiding a nasty afternoon's debate at Brighton and it is surprising that the Labour Party's Europeans (apart from Lord Thomson), the Liberals and most commentators seemed to think it a worthwhile bargain.

They were prepared to accept the mere declaration that Britain was to abide by the referendum decision of 1975, together with some very critical comments and proposals for change, as adequate guidelines for Britain's future policy within the EEC.

The positive reasons for retaining a member set out by Mr. Callaghan were all in the field of foreign policy as the Prime Minister clearly values his frequent meetings and contacts with Chancellor Schmidt and the other European leaders. He also realizes that Britain's chief value to the United States is as a member of the Community and that there are some advantages in joining again, for instance at the Belgrade conference and at the United Nations. Not a single internal or domestic advantage of membership was mentioned.

Then the letter set out the changes that would be negotiated if the EEC was to be moulded to suit British interests and if membership was to remain worth while.

First there should be no more powers for the European Parliament. Secondly, the national executive would have to be increased. This seems to contradict the first point and certainly the only way of improving democratic control over the Commission is through the European

Parliament. But what Mr. Callaghan meant was that we would have to strengthen the House of Commons power to scrutinize European secondary legislation.

To do this needs no action by the Community—it is entirely up to us. The problem is that the only way of exercising effective scrutiny of the large number of detailed proposals emanating from Brussels is to set up a series of Commons committees, with appropriate staff, specialising in agriculture, industry and regional policy with powers to call witnesses, including civil servants and ministers.

So far, the Government has refused to do this because it would be impossible to stop such committees using their powers to investigate the relationship between EEC policies and what was happening in Whitehall. While democratic scrutiny of the Community's legislative proposals might be desirable, there is the greatest opposition to any spread of this process to cover domestic policy making.

Then there were points about each country exercising vigilance to ensure it could carry out its own policies of aiding declining industries and regions. There was a demand for an energy policy which would not affect Britain's North Sea oil interests and for a reform of the Common Agricultural Policy, with lower prices which would end surplus production.

Finally, there was the sentence that caused most surprise and offence on the Continent, that the admission of Greece, Spain and Portugal was desirable because it would make the growth of central powers and government

machinery less likely and so would help to keep the Community a loose group of nations.

Though the statement probably is an accurate representation of the Prime Minister's views, it is not clear how far he intended the document to be taken as an actual programme of action, although it was at once accepted as such by Labour's anti-Marketters.

Its weakness as a set of proposals comes out when it is recalled that almost every point had already been listed in the "renegotiation" which was held before the referendum. That damaging and pointless exercise should have demonstrated the futility of going to the member states brandishing this kind of shopping list.

In any case, were we not led to believe that all these "reforms" had been achieved in the 1974-5 renegotiation?

Curiously enough, the letter only claimed the Lomé convention as an achievement of the previous renegotiation, an agreement which would almost certainly have been signed in any case. It omitted both the one real gain, the limit on possible British payments to the Community, and the major loss which was the further decline in the standing in Europe as a consequence of making these unilateral demands the price of continued membership.

To repeat anything like this exercise now would be virtually impossible and yet one has the impression that the Foreign Secretary and other British representatives are thinking of putting forward at least some of these demands. The sad thing is that on one or two of the more positive points, something

worth while could be achieved but not by proceeding in this way.

For the Common Agricultural Policy, for instance, there is a potential coalition of the smaller powers who want Europe to have sensible common policies, together with pressure groups of consumers in the larger states who dislike the CAP.

But to call for reform as part of a general attack on the concept of a more united Europe is to unite all these forces against Britain. It shows a woeful lack of understanding of how to operate in Europe. The French often seek to safeguard their national interests but they do so in a manner which leaves no doubt about their desire to be in the Community so that they do not unnecessarily alienate support.

Some may argue that member states ought to understand the need for demarches on Community affairs, aimed at the member states, and not domestic political situation. But this letter was so negative that it roused anger among the Germans and general irritation elsewhere. Also, it is not so clear what was gained.

Here in Britain it seemed significant for the Prime Minister to declare that we were in the Community to stay but there was never any real possibility of pulling out. Even such ardent anti-Marketters as Mr. Peter Shore and Mrs. Castle recognized this. But what the statement did do was to intensify Britain's image as a reluctant European and also give the anti-Marketters a list of points by reference to which they could reopen the argument.

The letter also virtually committed Britain to a hostile reaction for any proposals which might be put forward in the next few weeks, proposals which might be well worth while to consider very seriously. This applies also to the valuable suggestions for further integration in other areas of public finance put forward by the committee under Sir Donald MacDougall.

Instead, the Labour Foreign Secretary can expect to be asked at regular intervals, when progress has been made in obtaining the latest concessions and if the answer is "very little", the supplementary will be "and when, then, will you reconsider and withdraw?" Also, it may be a small point but on what general platform can Labour candidates stand for the European Parliament? Will they say "elect me to an assembly which I am determined to keep in a powerless state?"

It is to be said (somewhat unfairly) that Frank Birtles regarded the Service Union rather as if it were a breakaway fragment of the Transport and General Workers' Union.

It will be a great pity if Britain's most important area of foreign activity and the arena in which policies affecting so many of our internal affairs are mapped out is to be regarded and run as a set of relations between the Parliamentary leadership and the National Executive of the Labour Party.

The author is Labour MP for Berrick and East Lothian.

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In the Montego Beach Hotel on the north coast of Jamaica, five women from St. Louis, in holiday party gear, stood blindfolded on the dance floor.

The women were led over to the men and instructed to feel their legs. The object was to identify which belonged to their husband or boyfriend. There were excited guffaws from the audience as one or two guessed wrong.

Now read the first 11 words of the first paragraph again. This was not Budini's holiday camp at Bognor Regis, nor even the hotel Inglaterra on the Costa del Sol. It was Montego Bay, once among the most exclusive and costly resorts in the Caribbean, catering to the wealthy and often elderly people who would stay for several weeks during the high winter season. They may never in their lives have stroked a knee in error. Certainly they are unlikely ever to have been to St. Louis. Jamaican hoteliers nostalgically call them the old clientele, or even the old élite. They have been a disappearing species for some time, but their departure from Jamaica was hastened by reports of violence and instability on the island, coinciding with a recession in the United States.

So the hoteliers and tourist authorities have had to think of fresh ways of filling the beds. The solution they have found is in the package tour market, which has only in the

last year or two—several years behind Europe—began to develop in the United States.

Every weekend Air Jamaica flies hundreds of package tourists from St. Louis, Toronto, Kansas City, Chicago and, like many of them young single people, some on honeymoon and virtually all visiting the Caribbean for the first time. Representatives of German and Dutch travel agencies are now arriving to prepare to develop the European market.

Apart from the knee-stroking game, other entertainments have been introduced for the benefit of the new young visitors, one of the hotels has inaugurated a "forget-me-not honeymoon park" in which honeymoon couples plant fruit trees, carefully numbered and registered. When the trees begin to bear fruit, the couples are invited back to taste them—forming, I suppose, a new "old élite" of their own.

The Montego Beach Hotel, where the St. Louis group were staying, was built 25 years ago in the spacious and airy style which was then fashionable for tropical hotels, with tiled floors and not too effective air conditioning. The German tour guide was worried lest his clients, used to the modern, supercool glass-box style of hotel, would find it too primitive.

The folks from St. Louis, though, loved it, and had no qualms about their safety. Not many of them visited the downtown area of Montego Bay, for the souvenir and duty-free



shops are in or near the beach hotels. Those who did venture into the town itself did not feel threatened, though some expressed themselves appalled by the visible poverty.

The week of their tour coincided with the visit to Jamaica of President Fidel Castro of Cuba. A few of the tourists were a bit worried by this, seeing it as a sign that Jamaica was about to "go communist". The United States itself may be working towards a rapprochement with Cuba, but because of the unpredictability of Mr. Eric Gairy, the Prime Minister.

The tours in Britain were far and away the most successful. But I learn from officials travelling with the Queen that as one

legged parts of the world, a woman who is a partner with her husband in an insurance agency told me: "I'm going to take the children to Europe next year, France and Italy and maybe England too. They've lived in America all their lives and they don't know what real poverty is. It'll be good for them."

Dan Grammer, general manager of the Montego Beach Hotel, welcomes the new breed of tourists. They have assured that the hotel is fully booked during the high season (December to April) for the first time in several years.

The RAF have now gone and in their place have come large hotels and casinos. To complete the delight of the visitors, the tour maintained, 12 bar girls have been imported from Bangkok.

Jamaica was included on the itinerary when early planning for the Queen's silver jubilee tours began in 1975. The original scheme was for her to open the parliaments of all the countries where she is head of state. In the event, three countries were omitted—Jamaica, Mauritius and Grenada. The first two were left out because they have declared their intention of becoming republics. Grenada, because of the unpredictability of Mr. Eric Gairy, the Prime Minister.

The tours in Britain were far and away the most successful. But I learn from officials travelling with the Queen that as one

stage her advisers had the greatest doubts about whether the Queen should go ahead. In distant 1975, you will recall, the new Labour government (notably this one) was in power, and the Queen's tour was a controversial one. The country's economy was in a state of collapse, we were going to understand, was imminent, and the Queen's tour was a disaster.

"We did not," an official who was me, "want to do it if it was a gloomy forecast was going to be correct. It wouldn't be done to put on that kind of celebration on our backs. The Queen really didn't want the whole thing to turn into a national wake."

The advisers finally decided to go ahead with the tour, relying as few else were doing on Mr. Denis Healey's optimistic forecast that the corner would be turned. They sustained even the celebratory year was beginning. The only sign appeared depressing.

In the event they need not have worried. The tour was phenomenally successful and the middle of the summer, Mr. Healey's forecast was suddenly a reality. It was a nerve-racking time, but it was a triumph. The Queen's tour was a success. The country's economy was in a state of collapse, we were going to understand, was imminent, and the Queen's tour was a disaster.



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THE PATH OF SANCTIONS

The scope and duration of a mandatory embargo on arms for South Africa should emerge from the bargaining in the Security Council in a day or two. In the existing atmosphere a veto would only be practicable against outright irresponsibility. Britain and the United States are right to oppose too wide an extension of its terms, and to keep the period for its renewal as short as possible. The object of the resolution can only be psychological and moral: the embargo whatever its terms could not decisively affect South Africa's ability to control internal security. What the world is doing is to put South Africa's existing moral isolation on a new, institutional basis. This is designed to influence white and non-white attitudes—warning the whites that world disapproval can proceed from words to deeds, and encouraging the non-whites to continue their resistance to the injustices and discrimination they suffer.

Because this is the mechanism of sanctions, they must be on a renewable basis, so that, if the South African Government shows some response, the prospect of lifting them exists; while if its present defiance persists the process can be extended in time and ambit. Lacking this flexibility sanctions justify the South African Government in telling people that they are an act of war to be resisted indefinitely. On the contrary, the object must be to ensure continuing scrutiny, and to keep alive thereby the view, particularly among whites, that there is an alternative policy and it should be put forward.

The magnitude of the Security Council's action cannot be ignored. It cannot be measured by its small military impact. Though the western powers seem to wish to avoid specifically invoking Article 39, under which the Security Council determines the question of the existence of a threat to international peace, the adoption of the charter is that South Africa implies that it is a danger to international peace. For this neither North Korea in 1951 nor Rhodesia in 1966 offer precedents. An independent state at peace, the Republic is only a threat inasmuch as its policies provoke possible attack. A government is being condemned and sanctions invoked against it for its exclusively internal policies. This is a departure full of risk for everyone, including the United Nations itself, as least it emphasizes to South Africa that it has been designated as in a unique position in the world community.

The African states hope, after this breakthrough, to widen sanctions from arms and "grey areas" like equipment with military relevance, to the economic field. They wish to move from partial pressure to decisive moves inseparable from force. This will be rejected, but if the South African Government shows no willingness to change its repressive policies in the future, the demand for additional instalments of pressure will become hard to resist.

Short of a blockade, South Africa can, however, survive foreseeable economic sanctions for years. They can only be

increments of pressure cumulatively to persuade the South Africans and their leaders that sooner or later they must change course—pressure from outside complementing and intensifying pressure from within. The cutting off of investments, a possible next step, would not cripple South Africa, which could retaliate with an embargo on the transfer of dividends and interest. The oil sanction requires Iran's cooperation and international control over many multinational companies. Selective trade cuts would not be decisive. But all these measures might build up a sense in the Republic that there is no future on the present course and develop an atmosphere of change.

Britain's historically large investment in South Africa means that its people would suffer relatively more than others from participation in economic measures. But Britain's stake in the Republic has been declining, and the statistics are hard to interpret. In a time of recession particularly the costs to Britain would none the less be very significant, and no government could incur them without discussing fully what they would involve, and for whom.

We are at the beginning of an uncertain path. Such intervention in another state's domestic affairs is full of risk. The history of sanctions is not propitious. The object must be limited to encouraging ordered change within South Africa, without incurring the responsibility for adding to the existing potential for a catastrophe.

PAYING FOR THE HEALTH SERVICE

Every problem in the public services, it is said, boils down to money in the end; which is only to say that every possible solution can have a price put on it. But some problems can be more usefully reduced to money terms than others. There is a widespread feeling in the National Health Service that more funds would improve services more than anything else. Mr Patrick Jenkin accepted this view on Saturday, and Mr Laurie Pavit, commenting on his remarks, finds that it is almost the only point on which they are at one. Mr Jenkin declared that the service was not short of doctors (an uncritical acceptance of the profession's own predictions which may occasion surprise in the geriatric services), nor of nurses or beds. Nor were bureaucratic burdens or the lack of incentives to cost effective practices the main problem. The service was simply running out of money.

If we are to spend more, the money must come from somewhere else, whether public service or private indulgence. Mr Jenkin shares Mrs Thatcher's belief that many people are ready to pay more for their personal welfare, or that they should be. The Conservative Party is also committed to reducing direct personal taxation. He looks favourably, therefore, at proposals to ask hospital patients to pay part of the cost

of their keep, or of making the National Insurance health contribution a much more significant source of funds (at present it covers less than a tenth of NHS costs, and taxation 85 per cent.).

The principle that health care should be free at the point of use is not sacrosanct. Both parties have long accepted prescription charges in practice, though it remains Labour policy to abolish them. They have not been raised since 1972, and in real terms are worth half what they were then. But they can never make more than a marginal contribution to costs. Many of those most likely to need treatment are exempt. The same would be true of hospital charges. Forty per cent of hospital beds are occupied by patients over 65. Since patients in hospital are more likely to be losing earnings, wider exemptions than those for prescription charges might be necessary. The extra administration would not assist Tory plans to prune back bureaucracy.

Most other countries pay for medical services through insurance, said Mr Jenkin, "and somehow they do not seem to face the same awful problems that we are facing". He did not say that most of them are instead facing the almost equally awful problem of a giddy and seemingly inexorable rise in health spending. The proposal to raise insurance con-

tributions is "essentially an act of faith in the Treasury: would it resist the temptation to cut back on general taxation to balance the extra revenue? It also rests on the assumption that an insurance contribution is less painful than a tax payment. That may be so if part of the contribution is voluntary, and Mr Jenkin may have had in mind a range of insurance rates (corresponding with what service benefits?). But the recent evidence of declining individual subscriptions to private health insurance schemes casts some doubt on the supposition that people are ready to pay much more.

To say that we spend too little on health implies an idea of how much we should spend, and that in turn implies an idea of the level of services we should set out to attain. Since 1970 health spending has risen by a fifth in real terms. It has had to slow down very suddenly, causing acute difficulties, but there was no time in the period when prophecies of collapse were not rife. Of course more money could bring better services; medicine could swallow up an almost unlimited share of our resources if it was allowed to. How much it should swallow up is a problem of priorities. But if it is accepted that we are to spend substantially more, then we are likely to find that the bulk of the extra money will have to come from the taxpayer.

David Wood

Hazards of the Queen's Speech

The logic of the speech with which the Queen will open the new session of Parliament on Thursday runs in two superficially conflicting directions. First, and politically foremost, for the Cabinet, it must argue that government centralized at Westminster has proved too remote and unresponsive to the needs and aspirations of the Scottish and Welsh, and that, therefore, Westminster shall surrender some part of its sovereignty to new democratic assemblies created in Edinburgh and Cardiff.

Second, and politically less than wholeheartedly, the speech must also argue that the United Kingdom Parliament no longer possesses full sovereignty over laws and decisions made in Brussels, and that therefore some of Westminster's function should be surrendered to a new directly elected European assembly, whose democratic might be expected to force accountability on an authoritarian Council of Ministers and bring under curb the bureaucracy of the EEC Commission.

On the first argument, the United Kingdom is now too large to be governed from Westminster; on the other, the United Kingdom is too small an economic and political unit to survive on its own in the world today on the basis of purely national policies.

There is no point in denying that a contradiction at least appears to exist here, with a consequent difficulty for any Cabinet that commands both proposals in the same breath on grounds of principle.

It would, in fact, assume too much to think that the proposals are being launched by the Government on grounds of principle. There are scarcely more than a few dozen members of the House of Commons, in the two main parties, who would not rather leave Westminster's

sovereignty untouched, if political events had not forced them alike off principle and their long term self-interest. The Labour Party needs the House of Lords to support the Scotland and Wales Bill, and it is to form an effective government at Westminster. The Scottish National Party has already made, and threatens to go on making, deep inroads into Labour's traditional territory in Scotland, and must, therefore, have its nationalistic sting drawn; and what you give to the Scots you must at least offer to the less militant Welsh, if they show in a referendum that they also want more self-government.

Much the same is true of direct elections to the European Parliament, which had to be swallowed at a gulp as an integral part of the Rome Treaty to achieve the greater end of carrying the United Kingdom into the EEC at all. Most United Kingdom MPs, whether for or against, have a loose growing nationalism, the emphasis being on economic unity with a limited political unity to support it.

As Westminster experience grows of so-called European secondary legislation, their strongest argument for a directly elected European Parliament is that Westminster cannot control either the Council of Ministers or the Commission. They fairly reluctantly admit, therefore, that a new and democratically valid Parliament becomes necessary.

The concurrent arguments next session for dispersing Westminster power downwards, and upwards, however, may well be less courageous than is suggested by the parliamentary timing of the Bills and the pressing political events that bring them to the forefront of this week's Queen's Speech. It may well be true that the logic of the United Kingdom's joining a larger economic and political unit leads directly to the transfer of some domestic Westminster sovereignty downwards to the constituent parts of the United Kingdom. If there is not to be exactly the deepening sense of impotence and remoteness of government that many Commons MPs now make their objection to Brussels law and regulations. Devolution and direct elections may be complementary, not contradictory.

In principle, that happens to be my own judgment; in principle,

there is no intrinsic contradiction. Yet other principles need to be reckoned with and we shall not know whether they have been observed until the Government Bills are before us and have undergone amendment.

Take one or two examples touching the devolution Bills. Scotland and Wales are already, on the footing of electoral quotas, over-represented at Westminster. Should that over-representation continue when Edinburgh and Cardiff's assemblies have been given a large measure of self-government? Or will England, which provides 516 MPs in a Commons of 635 members, have to demand countervailing regional assemblies for which there is no public demand or manifest constitutional requirement? And will Scottish and Welsh MPs at Westminster continue to enjoy the right to vote on all-England questions while English MPs have no say, or much less say, on broad range Scottish and Welsh national decisions?

Merely to ask such questions is enough to suggest that the unity of the Kingdom is being brought under attack, and that there will be some MPs on both sides of the House who will have no truck with the Bill. In spite of the Prime Minister's threat to drag his ministers and rank and file by a quilline and by whipping in. On a hundred and one issues of constitutional detail the Government will run into trouble in both Houses, and it should not yet be taken for granted that a parliamentary timetable can save the Bill next session.

So it will be, too, with the direct elections Bill, especially the choice between regional elections and the first-past-the-post system. In practice, next year's French elections have virtually reconciled the Nine to a delay in direct elections to the European Parliament, and, though I say it with regret, I no longer believe that Westminster would damn itself in the eyes of the Right if polling had to be delayed beyond May or June next year, the pledged objective of Mr Callaghan's "best endeavours".

A post-election series of European elections in the spring of 1979 would almost certainly turn out to be an acceptable compromise, and it would probably be agreeable even to most Conservatives at Westminster.

The Questioning of Mr Thorpe

From Mr Jonathan Caplan

Sir, I was surprised to read (October 29) that your Political Editor was prepared to defend Keith Graves' discreditable question to Jeremy Thorpe at Thursday's press conference on the grounds that it was put in a "courteous way", that Mr Graves gave "sensible explanations" for asking it, and that "at least five others" were ready to ask the question had Mr Graves chosen not to do so.

Why is it that increasing numbers of journalists are unable or unwilling to distinguish between matters that actually are "in" the public interest and those that are merely "of" public interest? General enquiries about Mr Thorpe's sexual history are clearly irrelevant to any of the issues involved, and posing them on the pretext that they are in the public interest is a gross abuse of a journalist's position.

It is not only your Political Editor who misses this distinction but apparently also the editorial staff of BBC Television News who, by allowing him time in Thursday's bulletin to describe both his motives for putting the question and then the understandable reaction it provoked.

Yours faithfully,

JONATHAN CAPLAN,
2 Crown Office Row,
The Temple, EC4A,
October 30.

From the Reverend Lawrence Rigal
Sir, What chance is there of Jeremy Thorpe clearing his name, if after nearly 2,000 years the Pharisees, as the title of your leader (October 29) shows, have not been cleared of unsubstantiated accusations of being self-righteous hypocrites?

Yours sincerely,
LAWRENCE RIGAL,
Woodford and District Liberal
Society,
Marlborough Road,
South Woodford, E18,
October 29.

A European currency

From the Director of the European Movement

Sir, Mr Roy Jenkins' call for a European monetary union is a timely one. We approach elections to the European Parliament next year. Although your first reaction appears cool, I hope a debate on the issue in your columns may well show how many of our current problems could be eased by adopting a common currency. It would be a real benefit to the Community's citizens in terms of personal and business convenience. It would assist economic and political integration and bring back stability to our present world of monetary chaos.

European currency replacing national currencies could not be created overnight, but steps towards it are fairly obvious. The Community should develop the European Fund for Monetary Cooperation, first into a reserve fund and then into a Community reserve bank, in which member countries could pool parts of their reserves. Before full monetary union is achieved the Community might well start by creating a parallel currency based on the European unit of account for use alongside the member currencies in all official and commercial transactions. This could lead to the replacement of the dollar in some of its international functions, but above all enable the Community to promote greater stability as a first step towards full monetary union.

Yours faithfully,
ERNEST WISTRICH,
The European Movement,
Europe House,
1a Whitehall Place, SW1,
October 28.

TUC and press freedom

From the Editor of the Evening Despatch, Darlington

Sir, The Trades Union Congress's feeling that it needs a better public image is understandable, and the new initiative in Darlington newspaper, including my own for thirteen weeks. No news of any kind at all, in fact.

By continuing to acquiesce in the unilateral declaration of an independent journalists' union by the National Union of Journalists, the TUC would be continuing to acquiesce in a threat to individual expression on any matter: also in a threat to any editor who seeks to exercise his writers' discretion on any matter.

On the simplistic understanding that a newspaper might advise on but would hardly refuse to cooperate with the TUC's own choice of General Secretary or Conference chairperson, similarly one might be entitled to expect that the TUC, as a self-proclaimed body of democratic intent, would seek to restrain more firmly any member union that attempted anywhere to bring pressure on the matter of who should or should not represent an organ of democratic aims.

By raising no protest at the banning from the recent Labour Party Conference of two reporters whose integrity and ability were defended beforehand by fellow trade unionist journalists (and whose work in 2 more enlightened situations might have appeared in my newspaper) the TUC suggests at this moment that "the real face of trade unionism" which it appears to crave exists in its mind only.

Anything less than condemnation of unilateral declarations of closed shops in journalism, both damaging and trivial (as the mediator on behalf of the Advisory, Conciliation and Arbitration Service has pointed out) would amount to the media group representing a citadel of hypocrisy.

Yours sincerely,
BRIAN NICHOLLS,
Editor, Evening Despatch,
Priestgate,
Darlington.

Estimating the fertility of immigrants

From the Secretary of State for Social Services

Sir, In Volume III of his memoirs, the late Richard Crossman states that he "had been told that there was a fascist nest in the Registrar General's office and (1) did not believe a word of it but, after an hour sitting with the staff, I became convinced that there was a real ideological pattern to the behaviour of this office". There have been allegations in the press that he and I falsified official statistics about the coloured population in Britain.

I have now been able to check the facts. In July 1969 the Registrar General put up a paper showing a projection of the New Commonwealth population for the year 1981. It assumed that the higher fertility of the New Commonwealth population which could be inferred from the 1966 sample Census would stay unchanged during the period of the projection as there was at that time no hard evidence that fertility was falling. The resulting projection was qualified by the statement that it was likely to be high—fertility was likely to fall and a given of 2 to 21 million should be given for 1981. However, the Registrar General suggested that in view of the uncertainties it would be wise only to publish yet again the projection of the order of 21 million for the New Commonwealth population for 1986 which I had used in a speech I made in the House in 1967.

At the meeting which Dick Crossman reports in his diary for August 7, 1969, and which I attended, the Registrar General and the staff were asked:

1. to show separately persons from Cyprus, Malta and Gibraltar (the Mediterranean Countries) within the figures for population of New Commonwealth origin, as the press tended to equate New Commonwealth with persons of particular racial origin;

2. to produce alongside the projection based on current fertility, further projections based on declining or lower fertility in the New Commonwealth population

(excluding those from Mediterranean Countries).

Thus our intention was not to suppress the Registrar General's original projection but to see further alternative projections in view of all the uncertainties. We did not ask the Registrar General to delete his original projection. Further projections made on further assumptions were submitted by the Registrar General at the end of January 1970. They were discussed at a meeting held by Dick Crossman which I also attended in February 1970 and were, I understand, discussed by a committee of Ministers a month later.

Later evidence suggests that the fertility of persons of New Commonwealth origin excluding those from Cyprus, Malta and Gibraltar is now lower than it was in 1969 or 1970.

This demonstrates that we were right to ask for alternative estimates based on assumptions of falling fertility. The latest projection of New Commonwealth population for 1986 is still of the order of 2.5 million as given in the answer to a Parliamentary Question in 1970 which repeated the figure I had used in the House in 1967.

The book mentions Michael Reed, the then Registrar General, who I knew as a highly responsible civil servant. Miss Thompson, who is also referred to, is a demographer with an international reputation. I saw nothing to suggest any ideological bias in their work. Indeed, if Dick were asked to review what he had hastily dictated, I am sure that he would have decided to cut out the sentence quoted at the beginning of this letter. I have no hesitation whatever in expressing my complete confidence in the past and present Registrar General, Miss Thompson and the rest of the staff of the Office.

Yours faithfully,
DAVID ENNALS,
Department of Health and Social Security,
Alexander Fleming House,
Elephant and Castle, SE1,
October 28.

Housing associations

From Sir Lou Sherman

Sir, I was sorry to see that your leader of October 24 about trends in British housing policy failed to take any account of the emergence during the last few years of a powerful housing association movement.

The significance of this development is that at a time when it is used to apply more and more managerial and financial resources to urban renewal, when the flexibilities of the private rented sector are disappearing with private rental accommodation itself, and when the need to avoid a polarization between owner occupation and municipal housing is increasingly recognized, housing associations are demonstrating that they represent an answer, and a potent one, to all these needs.

There are now some 2,500 housing associations registered with the Housing Corporation. They are now providing over one-sixth of all new and improved social housing. In this, they enjoy the full support of all the major political parties and most local authorities. This year, they have taken in a further 10,000 people to the housing pool. They are expected to receive the go-ahead for 40,000 fresh homes, not only bringing a little joy and hope to the thousands of people condemned to the misery of housing squalor, but making a significant contribution to the mainstream of housing policy—urban renewal and housing for special needs.

Over the last three years, the Housing Corporation's priorities

have been directed towards the rehabilitation and revitalization of our inner cities, particularly in housing action areas, and the provision of housing for people with special needs such as the elderly, handicapped, and those who traditionally had sought refuge in the rapidly diminishing private rented sector.

From the earliest days the housing association movement has been in the vanguard of new initiatives. Now with the assistance of the Housing Corporation, it has pioneered new forms of tenure. It is leading the way in cooperative housing, the involvement of tenants and local communities in the control and management of their housing.

It is in the forefront of making arrangements with specialist groups to help with the rehabilitation of ex-offenders, and those recovering from mental illness.

If, therefore, one is to pursue your call for the coming together of the diverse political and professional views held about housing in order to arrive at a housing policy that will endure, there is, in my view, no alternative to the housing association book I am glad to see that both the Government's Green Paper and the NEDO report seem to share this view.

Yours faithfully,
LOU SHERMAN,
The Housing Corporation,
Maple House,
149 Tottenham Court Road, W1,
October 26.

Drugs for coping

From Professor Ivor H. Mills

Sir, The article by Dr Brewer in your Guest Column today (Oct 26) is particularly unfortunate, not only because it is likely to persuade more doctors to use ineffective drugs instead of antidepressants but more so because it suggests that Dr Brewer thinks that people who are a bit unhappy risk death by taking a handful of tablets. If this is really his view then he cannot have listened to hundreds of people who have attempted suicide over the past 12 years as I have.

If, as with so many doctors, he asks his patients when he sees them after they have taken a handful of tablets, if they want to kill themselves, he would conclude from their answers that almost all of them do not want to die. If one asks them what was in their minds when they took the tablets one learns that almost all of them were desperate and they commonly say, "I had to get out of it somehow; I didn't care if I lived or died."

In the invited paper I gave at the meeting of the European Society of Toxicology in Edinburgh last year, I pointed out that an analysis of what had occurred in the three to six months before people attempt suicide shows that they have had more problems and challenges than they could cope with. Exhaustion of the coping process of the brain is typical of those who attempt suicide even though some will use a way of coping for hours or two later and ask for help.

In their desperation they will take any drug to hand, frequently not their own. In my analysis aspirin

was the commonest single drug taken when sleeping tablets and all sorts of common drugs (31 per cent of patients); tranquillizers far exceeded antidepressants which were taken by only 8.2 per cent of the patients. What is more important is that many patients took a variety of drugs which would not harm anyone.

If Dr Brewer looked at the now extensive data of self-poisoning in the developing countries he would find the incidence rising and now about equal to our own in the early sixties. In Guyana, Ceylon and Hong Kong where there are no readily available, the commonest thing to be taken is organo-phosphorus pesticide which is frequently fatal.

The tranquillizers, so frequently prescribed because they rarely kill when taken in excess, allow the brain to adapt in a few days and do not help the coping process. Tricyclic antidepressants facilitate the coping process and have often proved the only useful drug for students in difficulties with their studies.

When one has the time to listen to patients they tell only too clearly of the constant challenges of modern civilized life till they can cope no more. Till we change our so-called civilization so that people can cope, tricyclic antidepressants used early, especially when the only symptom is sleep disturbance, are the most effective drugs in restoring coping ability.

Yours faithfully,
IVOR H. MILLS,
Addenbrooke's Hospital,
Rill Road,
Cambridge,
October 26.

Forcing the Marda Pass

From Brigadier J. B. Bettington

Sir, In a report from Nairobi in The Times today (October 10) on the war between Somalia and Ethiopia it is stated that, after the capture of Jijiga, the British were held up in front of the Marda Pass for over a month. This is completely untrue. The pass was indeed a strong position. If properly held, but the operations of eleven African Division have taken three days only. The whole advance of over twelve hundred miles from the crossing of the Juba to the boundary of Kenya and Italian Somaliland to Addis Ababa took about six weeks and included several other formidable positions.

Yours faithfully,
J. B. BETTINGTON,
12 Charles Street,
Dorchester.

Destroying cauliflowers

From Mrs Margaret Howson

Sir, I cannot sit down to my next meal without commenting on a Reuter announcement in today's issue of your worthy newspaper (October 25).

Is it possible that a responsible country, indeed a neighbour of ours, only just across the Channel can bring itself to allow the destroying of "more than two million" cauliflowers this year "to keep up prices after a record harvest"?

Do they give thanks at harvest festivals over there?

Yours faithfully,
MARGARETE HOWSON,
Stratford,
3 Collegiate Crescent,
Sheffield,
October 25.

Mapping buried history

From Dr Graham Webster

Sir, The proposal to disband archaeological division of Ordnance Survey reported in Times of October 25 is of concern to all British archaeologists. A national agency for the recording of archaeological sites and which are now being made in increasing numbers every year, not only for research but a fuller understanding of British past, but also for supplying information for planning and conservation projects. The high standards of OS, the envy of the world, created the firm impression unless a site of antiquity is shown on an OS map it has no reliability for its existence. I always find it difficult to persuade planning officers and developers of sites of considerable size and importance may be present below ground, without any visible trace on the surface. A slight but identified as a prehistoric but may be shown, while a religious site of antiquity, larger and more interesting than Stonehenge, or Romano-British settlement of 20 acres, may be known from aerial photographs to lie in adjacent areas, but neither is shown and therefore is not taken into account. The OS should be regarded as providing a national service and as a commercial venture, but even on the latter basis it seems absurd when tourism, now a growth industry of importance to us, is denied the information and help it needs. It might also help to some of our monuments from being trampled out of existence by diving the visitors to other equally fascinating sites. Finally, the loss of the old series of aerial maps will be a great blow to students of all ages, as they have become essential tools in the teaching of history and human geography.

Yours faithfully,
GRAHAM WEBSTER,
The Old School House,
Chertsey,
Hartley,
Nr Leamington Spa,
Warwickshire,
October 27.

Race and education

From the Headmaster of Willesden High School

Sir, I welcome your publication (October 26) of the views of the Caribbean Teachers' Association whom you report as "angry" at the assumption implicit in recent government reports that educational failure is the norm for West Indian children. This is a very important issue, one of the most important in our troubled inner urban areas today. As Headmaster of a school in such an area, with a substantial majority of such children, nothing in my experience would confirm this "implicit assumption" condemned on the contrary, children of West Indian origin achieve success in the same way as other children do. My own annual prize lists and examination results would show.

What people who make the "implicit assumption" may be confusing is the ability to achieve success in the same way as other children do. My own annual prize lists and examination results would show. What people who make the "implicit assumption" may be confusing is the ability to achieve success in the same way as other children do. My own annual prize lists and examination results would show. What people who make the "implicit assumption" may be confusing is the ability to achieve success in the same way as other children do. My own annual prize lists and examination results would show.

£10 Christmas bonus

From Mr S. Tressaden

Sir, Whilst obviously welcome, the £10 Christmas Bonus for pensioners announced yesterday (October 25) by Mr Healey smacks of meanness. In December, 1972, and by the time the 1977 payment is made we will have suffered inflation of some 114 per cent. This means that the 1977 payment at 1972 prices is worth £4.85.

To revalue the bonus to today's price level would require a payment of £21.40 which would cost the Exchequer £214 million. Financing this could have been achieved by raising personal tax allowances for 1977/78 by about £15 or so less than has actually been announced, less a cost to basic rate tax payers of about 10p per week each.

Perhaps the army of civil servants responsible for the paltry wages of pensioners should compare its declining real value with the far inflation-proof pensions to which they can look forward.

Yours faithfully,
S. TRESSADEN,
174 North Street,
Romford,
Essex,
October 27.

'Wogs'

From Lieutenant General Sir John Cowley, GC

Sir, "Workers on Government Services", "War Office General Stores", "Western Oriental Gentlemen" indeed.

It is of course an affectionate abbreviation for a great friend of my youth, the Gollywog. I suggest "Gollies" would be a better word, more in line with Limies, Poms, Brits and all the other names our friends call us.

Yours faithfully,
JOHN COWLEY,
Whitmore,
Sandy Down,
Bolder,
Lymington,
Hants,
October 27.

Prospect of sharp rise in reserves is likely to put new strains on pound

terms which favour the
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the principals will find
means of selling their
by employing their own
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agents who act in their
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points out. "It is difficult to believe that the commission knows the conditions under which 'most' of these persons work, and their economic strength."

Evidence by the association showed that the standard form contract now being accepted by British principals went even further than the directive, especially in respect of the goodwill compensation clause.

It is the fourth report in a series which has attracted the attention of the commission on these subjects.

lending rate 5 per cent

The Bank of England's minimum lending rate is held at 5 per cent this week. The following are the results of Friday's treasury bill tender:

Applications	£740.9m	Allotted	£800m
at £98.00		Received	32%
by week			
1,000,000		Received	48%
at £97.50		Free week	
54,477.6m		Replaces	£4,555.7m
at £97.00			£400m

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31st October, 1977

available in the Extel
and during usual business
month, 1977, both dates
ted,

terms which favour the special agents are imposed, the principals will find means of selling their goods by employing their own agents who act in their names, or by forming subsidiary companies," the commission states. "Distortions of business are the result of imposing these rules."

the country. The Commission points out: "It is difficult to believe that the commission will solve the conditions under which 'most' of these persons and their economic strength."

Evidence by the association showed that the standard form contract now being accepted. British principals went even further than the directive, especially in respect of the goodwill compensation clause.

This is the fourth report in a succession which has criticized the commission on these grounds.

**Fifty-first report of the House of Lords Select Committee on the European Communities: Commercial agents. Aki.*

Lending rate 5 per cent

The Bank of England's minimum lending rate is held at 5 per cent this week. The following are the results of Friday's treasury bill tender:

Applications	\$740.9m	Auctioned	\$800m
Bids at 5.06.25%		Received	42%
Over one week	358.58m	Accepted	48%
Coverage ratio	Ca. 0.77%	Free week	Ca. 0.55%
Next Friday \$450m		Repocha	\$200m

**Hoare Govett Limited,
Atlas House,
1 King Street,
London EC2V 8DU.**

terms which favour the special agents are imposed, the principals will find means of selling their goods by employing their own salesmen, or by employing commercial agents who act in their names, or by forming subsidiary companies, the commercial agents, the commissions of business are won as a result of imposing these rules."

It is claimed by the commission that the special agents are so favoured because they are "in this country," and the commission points out: "It is difficult to believe that the commission knows the conditions under which 'most' of these persons work, and their economic strength."

Evidence by the association showed that the standard form of contract now being accepted by British principals went even further than the directive, especially in respect of the goodwill compensation clause.

It is the fourth report in succession which has criticized the commission on these grounds.

**Fifty-first report of the House of Lords Select Committee on the European Communities: Commercial agents. A14.*

Weekly share prices 21

Lending rate 5 per cent

The Bank of England's minimum lending rate is held at 5 per cent this week. The following are the results of Friday's Treasury bill tender:

Applications	£740.9m	Allotted	£800m
Over-subscribed	£198.8m	Received	32%
Unsubscribed	£542.1m	Received	48%
Over-subscribed	£4.4776m	Received	£4,565.5m
Unsubscribed	£1.988m	Replace	£300m

Particulars relating to the Company and its securities are available in the Extel Statistical Services and copies of these particulars may be obtained during usual business hours (Saturdays excepted) between 31st October and 14th November, 1977, both dates inclusive, from:

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31st October, 1977



PAGES 8 and 23

BY THE FINANCIAL EDITOR

Mergers on a tight rein

Close students of takeovers have for some time questioned the validity of the financial arguments put forward by way of justification for growth through merger. Until now such views have remained in an academic backwater, commanding no sympathy in the City or industry and little enough in government. Although unwanted bids have occasionally been killed off by the simple device of a reference to the Monopolies Commission, government has had no ideological objection to bids. Arguably its bias has been in favour of them since references have not generally been made unless there has been reason to think a merger would militate against the public interest. For example, there were only four references last year out of a total of 353 acquisitions.

Source: Trade and Industry.

Acquiring No.	Acquired No.	(£m) value
1969	685	1,068.9
1970	629	1,122.5
1971	587	884
1972	928	2,531.3
1973	929	1,304.3
1974	427	504
1975	276	290.9
1976	315	427.2

The question now is whether all this is changing. Last week, on a visit to GEC/Marconi in Portsmouth the Prime Minister made it clear that he is personally taking a much more jaundiced view of mergers. He referred to a study he had seen which

showed that perhaps half of all mergers brought no benefits either to the companies concerned or to the country. He added that on the hard evidence of profitability and productivity mergers sometimes took place where the benefits had failed to outweigh the disadvantages.

How seriously should his remarks be taken as a pointer to government thinking? At this stage there is probably not much reason for the City to worry. There has been no feedback from the Department of Trade to the effect that merger activity should slow down in this way that it did, for instance, after the takeover boom of 1972-73. And although the pace of Monopolies Commission references appears to have been stepped up recently—there have been three within the past month—the Commission's capacity to take on new investigations is strictly limited. As a public issue the question of takeovers is hardly a hot one, and there have been no massive, bitterly contested bids on the Grand Metropolitan/Watney pattern for some time to ruffle the present calm.

At the moment it is even hard to tell whether Mr Callaghan's remarks reflect the views of the government departments most closely involved in takeover matters, or whether his speech was merely tailored to a particular occasion.

In the longer term, however, it would not be surprising to see government looking much more closely at merger activity. The present adulation for small companies could

well find its counterpart in a greater underlying antagonism to growth through acquisition. Mr Lever has made it clear he does not expect big companies to increase their workforces, even in the event of an upturn in the economy, and that it is therefore to small companies that government must look for a fall in unemployment. In this context the kind of rationalization (that is, cuts in the workforce) that frequently follows a bid is the last thing government wants to see now that the Chancellor is again talking in terms of lower unemployment as a top priority.

Gold shares Politics rule sentiment

In just under two weeks, the gold price has shown a slight increase to close at \$161.25 an ounce on Friday, but South African gold shares have collapsed, underlining once again the sector's extreme sensitivity to political factors. From this year's peak on October 18, the FT Gold Mines index, in ex-premium terms, has fallen from 130.9 to 105.6, a drop of over 19 per cent.

The gold share market has continuously moved away from the small investor to the professionals over the past three years and seems likely to become an increasingly specialized area. An important factor has become the extreme volatility of the sector. Until the recent fall, the ex-premium index had risen by about 80 per cent from its low for the year in February. During the recent slide, the announcement that the United States was recalling its Ambassador from Pretoria took a full 10 per cent of the index in a couple of hours.

Although much has been made of the beneficial impact if the 25 per cent surrender rule on the investment dollar premium is abolished, it would in fact be unlikely to have much impact on share prices. Given the political volatility of South Africa and the fact that many institutions have firmly set themselves against investing in South African companies, the only real effect would have been to increase the degree of switching by existing holders.

Additionally, London's importance in the gold share market has severely diminished in recent years (not least because of the surrender rule) and it is America that now provides the investment indications. Friday's sharp rise in share prices was due to a feeling that the downward pressure had been overdone and the ratio of the ex-premium index to the gold price was restored to 0.65:1. Analysts argue that even here, prices are too low—two weeks ago the ratio was 0.75:1 and at the top of the bull market it was running at 1.75:1. Historical correlations however are fallacious since political problems are becoming so much more pressing. The index may well sustain further increases but a 1:1 ratio is unlikely to be exceeded whatever the gold price, and any intensification of western political anger at South Africa could again bring sharp reverses.

Uncertain times for engineers

After comfortably outperforming the market since autumn 1976, engineering shares have recently gone into decline. General engineering is off more sharply than the heavy end, which is still being influenced by the relatively good results of the international contractors like Davy, but the continuing poor demand for capital goods in general puts this better performance at risk.

If economic activity worldwide and in the United Kingdom in particular increases next year this recent underperformance could provide the best buying opportunity for some time.

But there are precious few encouraging signs. Stockbrokers Phillips & Drew are all fairly optimistic about improving prospects in 1978, but their latest quarterly view downgrades previous forecasts and oars Govett's recent survey of the engineering outlook is positively gloomy.

Companies themselves are far from optimistic. GKN estimates car production in the United Kingdom will improve 8 per cent in 1978, but truck output will be static and there will be only a small improvement in tractors. Prospects for the steel industry are, if anything, getting worse as rock-bottom price imports coming in

from countries in the Eastern bloc and the developing areas.

With world trade expected to grow by less than 6 per cent next year, and the United Kingdom unlikely to show economic growth sufficient to produce anything but marginal volume growth in general engineering, the prospects for profits depend very much on a maintenance of margins. Raw material costs are likely to fall, but wage costs could easily rise 16 per cent under phase three, and as wage costs are often three times engineering company profits, that will bite hard.

But there will still be growth areas. Diesels will benefit. Lucas, Associated Engineering, Hawker Siddeley and Sheepbridge. The increasing switch to front wheel drive cars, will help GKN which has almost a world monopoly of supplying the joints. Tube Investments will still be gaining efficiency from its capital spending over the past few years and Simon Engineering will be benefiting from its tie-contracts.

In general, though, the outlook is fairly depressing. The rise in profits seen in 1976 depended more on currency and stock gains than had been thought, and there is less evidence now than there seemed some months ago of any underlying improvement in productivity.

Business Diary in Europe: Of palaces and towers

addid's hotels are full to overflowing this week as the city hosts to the annual congress of the American Society of Travel Agents. Some 6,000 delegates are expected to attend a competition for their attention is likely to be fierce. The congress lasts six days and is opened by King Juan Carlos. Bruce Taylor, of the British Tourist Authority's Madrid office, said that one of the aims of the office is to mark the 500th anniversary of the year of London next year, for General Diego Rabeuro, mayor of the Tower and the Jewel House, is Madrid and the BTA has a salon at the Ritz, the hotel in Spain which still says that it is the worst where the city will be ushered in by the city.

So on hand will be a conference Michael Bailey, who operates sales promotion in act. British Airways is running a "spatiality suite" at the Hotel. According to the hotel, marketing man for Spain and the Western Mediterranean, Concorde will be an important part in its effort.

French, as usual, are not to be outdone. Their board will be holding a gala at which Sacha el will be the star turn. The nations are working too. The Mexicans, for instance, are providing cowboy folk picnics—weather permitting.



"You realize, I suppose, that Greece, Spain and Portugal could mean three more members clamouring for revision of the Treaty?"

Freddy Laker's Skytrain is not the only service flying the North Atlantic that asks for cash on the nail. The West German Luftwaffe, which sometimes has the job of flying cabinet ministers and senior officials to international meetings, takes a similar view of in-flight service.

Dr Hans Apel, the West German Finance Minister, and his state secretary, Manfred Lahnstein, have, for instance, found that it is as well to carry a little extra cash when flying with the Luftwaffe. On their way to the International Monetary Fund meeting in Washington last month they were unexpectedly presented with a bill for their meals, said

mer, will in future be spending much of his time on the Continent.

In a reshuffle at International Distillers & Vintners Bull has been appointed managing director of the group's European division. As such, he will be responsible for subsidiaries producing table wines, port and sherry in France, Germany, Italy, Spain and Portugal.

Naturally, the new job involves travelling widely. Although his appointment does not take effect until tomorrow, Bull has already been to France and is soon to visit Spain and Portugal.

Before he joined IDV in 1962 he had been with the Dorland advertising agency and worked his way into general management and sales and marketing. He intends putting his marketing experience to good use and will be particularly interested in the new and growing markets for port and sherry in Scandinavia, North America and Canada.

France will have a new two franc coin in circulation in 1979. The finance ministry says the coin is needed for use in slot machines, for newspapers (whose price is getting close to two francs), tips and church collections, where one franc is too little and five francs too much. In fact, of course, the new coin is a reflection of inflation and of the fall in the purchasing power of the franc.

The decision to issue a two franc coin was taken in 1959. It was to have been in silver, and 100 million were to be struck. But the cost proved too much and that project was abandoned.

The new two franc piece, like the present one franc coin, is to be in cupronickel. The cost of production will be 0.66 francs, while the present one franc coin costs the Treasury 0.50 francs. As 150 million will be struck, the gain to the state will be about 200m francs.

The 10 franc coin issued in 1974 has not been a success. The most frequent complaint is that it can easily be confused with the 20 centimes coin.

People also complain that it is too heavy and is ugly in design and colour.

While most of us still flinch at the very mention of Christmas, this month's edition of Retail Confectioner, Tobaccoconist is blithely running a special feature on Easter eggs.

Hugh Stephenson

Monetary policy is still the key

A betting man, on looking closely at Mr Healey's budget statement last week, would conclude that the odds had improved in favour of a general election being in the first part of 1979 and not next year at all.

The Chancellor, it is true, used phrases about the main objective being a continuing fall in the level of unemployment and about one of the prime considerations in framing his measures was that they should be quick-acting. Taken by themselves and out of context these might seem indications that the decks were being cleared for action next year. But the package, looked at as a whole, seems more designed to give the appearance of action, rather than action itself.

Take public expenditure. Talk of increases of the order of £1,000m seems big stuff, though the very process of inflation means that it is no longer what it used to be. But, as the Chancellor himself openly admitted, half of that amount had already been announced in his July mini-budget. The other half, of which the biggest single

element is the extra £500m for the construction industry, is not being put into the programme until next financial year.

Nor is the action on the tax side as dramatic as it would have been from a Chancellor who really wanted to get things moving in 1978. Because of extra ordinary pessimistic forecasting last November and during the first half of this year the headroom under the ceilings for this year's public sector borrowing requirement, negotiated with the International Monetary Fund, could have allowed for tax concessions up to twice as generous as those actually announced.

It seems clear that the Government has decided in principle on a strategy of a substantial shift in the relative burden of taxation on to indirect taxes. This will be done by easing the impact of income tax. But, equally, it is clear that the major first step in that direction is still being reserved for the next spring Budget.

If the Government is settling down

to the prospect of another 18 months in office, apart from the question of the exchange rate, the key issue will be monetary policy. Mr Healey gave no quantitative indications at all of what he intends.

While by no means an out-and-out monetarist, he believes that "money matters" more than most of those about him at the Treasury. He has fixed reasonably well this year with his target range of 9 to 13 per cent. The next financial year will be far more difficult, as the economy begins to expand while inflationary pressures persist.

If the Chancellor were not to publish a similar target range for monetary expansion in 1978-79, confidence in his intentions would unquestionably be damaged. But his commitment to a continued fall in the rate of inflation would be called into question if he announced a single range of figures that was any higher than that for 1977-78.

The time has probably come, there-

Derek Harris describes how the present machinery for dealing with increases could impair some of the effectiveness of the reorganized Price Commission under its chairman, Mr Charles Williams (right) Profiting from the price safeguards



suspects, producing more generous awards than anybody expected, including possibly the Confederation of British Industry, which had argued for greater safeguards because company profitability has been so low.

Ironically, during early discussions on the new price controls the CBI urged on Mr Healey a roll-back formula for the investigation period, although that was suggested as an alternative to an interim price freeze. Mr Healey pressed ahead with interim freezes and may soon rue that he dropped roll-back for this particular section of price control machinery.

The real trouble with the safeguards is that an incorporating some of the approach and arithmetic of the old state-jacketed Price Code, they do not fit in with the new philosophy of the new controls. Formerly this has to do with reasonable profit levels not being established by making the customer pay higher prices because of inefficiency in an organization. Monopoly exploitation is the Commission's other preoccupation.

Dive deep into the investigation formulae and one finds that an organization cannot only invoke as a floor a current profit margin of 3 per cent, but also a current profit margin of 80 per cent of a base margin.

The base profit margin in the case of pre-1974 companies is effectively tied to the price of a product as at July 1 this year compared with total costs then.

The fear is that this tying of the interim formula is going to introduce the sort of historic costs problem which even under the old Price Code. As inflation adds a progressive distortion to the historic arithmetic could increasingly favour companies.

One way out of the difficulty would be to use a moving base line. If further experience showed that the 80 per cent

rule was too soft an option in almost every case, it could be reassessed or even scrapped. In the principal safeguards only 50 per cent of the base margin is allowed.

Since the safeguards are covered by regulations which can be varied at any time by Mr Healey, they could be done, although parliamentary action could upset the manoeuvre.

There is a different problem over the 3 per cent margin rule. At least one company appears to have been in the position that if it had claimed an interim price increase under this it would have got a bigger percentage rise than under the 80 per cent rule.

But with all the difficulties of separating out from current costs that part of its activities covered by the controls—exports are among a number of items not covered—to have

claimed under the 3 per cent rule would have taken about another week's accounting work. On a major company's turnover a percentage loss for one week can, of course, be substantial.

One of the added problems for companies in claiming under the safeguards is that it means either keeping a running set of accounts geared to the old type of Price Code costings or being prepared to rush through such a set of accounts if an investigation is called.

The Commission has the discretion to use current management accounts in its discussions with companies rather than the old code-style accounts. This the Commission appears to be doing, so that the credibility gap between the two types of accounts will grow.

An unfortunate effect of the

safeguards becoming a focus of irritation for companies and Commission is that it could hamper the attempts by the Commission under Mr Charles Williams, its ex-merchant banker chairman, to create an atmosphere of basic good will.

The question arises, too, of how the Commission will react to price rise notifications which in any way involve productivity deals under the present phase of pay policy. Since such productivity deals are supposed to be self-financing, the Commission will clearly disallow any price rise in which such an agreement is adduced as a reason for increased costs.

It seems more than possible that such agreements, so often complex, may produce arguments that additional special factors are involved that impinge on costs. A company could then presumably, when the Commission again said no, invoke the safeguards.

It remains to be seen how far the Commission would be prepared to, or indeed could, act in such a situation like the old Prices and Incomes Board. It would seem sensible to take self-financing productivity deals out of the scope of the safeguards altogether.

If Mr Healey were to opt for a major change in the safeguards, with all that involves in battling against the CBI and other interests like those represented by the Retail Consortium, there is one way out of the dilemma.

This would be for him, instead of the Commission, to act. He could call for an investigation of a whole product sector. Prices are not frozen during such an investigation, but depending on the investigation's outcome the prices could subsequently be rolled back.

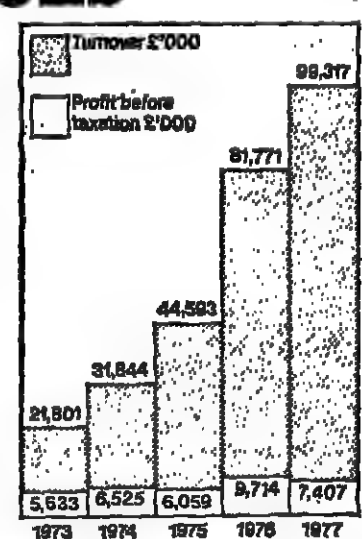
Safeguards still apply, but in this case it is the less protective principal safeguards.

NATIONWIDE GROWTH CONTINUES

Financial Highlights for year ended 30th June 1977

	1977	1976
Turnover	£900	£700
Profit before taxation	£9,312	£1,771
Profit after taxation	£7,497	£4,438
Earnings per share	24.9p	31.4p
Dividend cover	3.4	4.8

- The group built and sold 8,250 houses, being 21% more than in the previous year in spite of the economic blizzard which has devastated the housebuilding industry generally.
- Other sectors also made good progress with £2m added to the real estate investment portfolio and contracting activities expanded satisfactorily.
- Liquidity continues to be strong with over £10m of unused facilities with major clearing banks.
- A final dividend of 4.9p is proposed making a total of 7.3p for the year, being the maximum allowed under present legislation.
- Confidence in the future is supported by a three year land bank and a strong forward order book in all sectors.



Barratt Developments Limited
Copies of the Report and Accounts may be obtained from The Secretary, Barratt Developments Limited, Wingrove House, Ponteland Road, Newcastle upon Tyne NE5 3DP.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. It is not an invitation to subscribe for or purchase any securities.

H. P. BULMER HOLDINGS LIMITED

(Holdings)
Incorporated under the Companies Acts 1948 to 1976, No. 1320906

Authorised	SHARE CAPITAL	Issued and fully paid
£		£
1,375,000	9 1/2 per cent Cumulative Preference shares of £1 each	1,344,597
3,625,000	Ordinary shares of 25p each	2,550,875
5,000,000		3,895,472

All the issued share capital of Holdings has been admitted by the Council of The Stock Exchange to the Official List.

Particulars relating to Holdings are available in the Extel Statistical Services and copies of these particulars may be obtained during usual business hours (Saturdays excepted) between 31st October and 14th November, 1977, both dates inclusive, from:

J. Henry Schroder Wagg & Co. Ltd.,
120 Cheapside,
London EC2V 6DS.

Cazenove & Co.,
12 Tokenhouse Yard,
London EC2R 7AN.

31st October, 1977

Short Brothers' pursuit of Fairey is another milestone in 76-year history of air pioneers

With unemployment in Northern Ireland at 11.6 per cent, anything that might boost the province's economy is eagerly sought and supported. It is not surprising therefore that the Department of Commerce is watching with keen interest the latest moves in the fight for Fairey Aviation by Short Brothers of Belfast, the state-owned aerospace company.

The Short Brothers—Oswald, Horace and Eustace—made history when, in 1909, they signed with Orville and Wilbur Wright the world's first aircraft manufacturing contract—for six biplanes. It is perhaps fitting that the company should be hotly in pursuit of Fairey to establish yet another milestone in its 76-year history. The prize is the right to manufacture the Britten-Norman Islander and Trislander aircraft.

Fairey bought out Britten-Norman in 1972. The company has plants at Gosselies, Belgium; Bembridge, Isle of Wight, and it supervises a full assembly line in Romania. Fairey's profits fell from £4.9m to £1.3m before tax last year and it wishes to sell.

Discussions between Shorts and Fairey had reached an advanced level when the Belgian government intervened and demanded that Fairey should finance redundancy payments to some 600 Belgian workers who would lose their jobs if the business was moved to Belfast. Estimated cost was between £4m and £6m. Fairey owes some £14m to Belgian banks, and the sale price to Shorts was an estimated £15m.

These financial problems prompted the appointment of a receiver. Discussions are taking place between Shorts and the

receiver to see how the Britten-Norman business may be preserved without access to the Belgian assets. Romania has also been talking to the receiver, so the game is still wide open.

From the start, Shorts was only interested in buying the jigs and tools for the Britten-Norman, not the Belgian business itself. It is acknowledged

place. Men were trained and retained in new skills and the fight for survival was on. How the workforce successfully met the new challenge is history, but it gives point to Dr Foreman's assertion that Ulstermen are the most versatile and adaptable people in the world.

"Northern Ireland's only real raw material is its manpower, and we must use it to

the world and is in service with the United Kingdom and Canadian armed forces. A new sea skimming version of Seacat is being developed.

One way or another, in aircraft, missiles and components, the company is registering £25m worth of exports annually.

All is not plain sailing, however, for the company looks like ending this year in the red. It has not escaped the general malaise of poor productivity, springing, without doubt, from a somewhat disgruntled workforce objecting to wage restraint.

Given Northern Ireland's economic problems and the drive by Mr. Mason, Secretary of State for Northern Ireland, to use the weapon of prosperity to solve the political troubles, now facing the province, it might well be argued that Northern Ireland should be treated as a special case and excused the rigours of the mainland's anti-inflationary policies.

Ronald Kershaw

Industry in the Regions

that if things go Shorts' way there will be no sudden increase in the 6,350 workforce at Belfast. Rather it would mean an assurance of continuity of work and of jobs. The Islander and Trislander aircraft programmes would be integrated into Shorts' existing SD3-30 commuter aircraft and the Skyvan programmes. Both are highly successful aeroplane, selling well in overseas markets.

Nobody knows better the importance of continuity of work than Dr Philip Foreman, Shorts' managing director.

Up to about 10 years ago, Shorts, like many other aerospace companies, relied almost entirely on Ministry of Defence contracts. They built biplanes for the First World War and flying boats and bombers for the Second World War, and kept the armed forces well supplied with military aircraft between times. Then came a series of drastic defence cuts.

Under Dr Foreman, the company switched from the cosy comfort of government contracts to the harsh realities of the international market

the best possible advantage", he says.

In a highly competitive industry Dr Foreman's philosophy has been not to turn his nose up to work of any kind. Shorts has pioneered liaisons with other companies in other countries. It has agreements in America and Europe. It makes pods for Rolls-Royce engines in the Lockheed TriStar and the Boeing 747. It also makes wings for the Dutch Fokker F28 Fellowship, control services—flaps and the like—for Lockheed, undercarriage doors for Boeing and engine pods for the German VFW 614 passenger jet, among a variety of other products.

This is all work and all money, perhaps not as glamorous as military aircraft, but it all counts in the jobs league table.

It should be stressed that Shorts has not entirely severed connections with the military. It produces the Seacat missile—the world's most widely used ship-to-air system—and the Tigercat, its land-based version. The Blowpipe man-portable ground-to-air missile system is the most advanced in

Ford signs \$30m Egyptian deal

Cairo, Oct 30.—Egypt and the American Ford company yesterday signed a \$30m (£16.66m) contract under which Ford will build two factories in the country to assemble 10,000 lorries and manufacture 50,000 diesel engines a year.

Egypt will have a 40 per cent holding in the capital and Ford 30 per cent, the remainder being open to public subscription in Egypt and other Arab countries.—Agence France Presse.

FINANCIAL NEWS

Plessey, Reed Int, Acrow and Hoover

Companies reporting this week include:

TODAY—Interims: Aberdeen Inv, Channel Isl, International Inv, Cole (R. M.), Electro Components, Graig Shipping, Marchwiel Hlgs, McNeill Grp, York Trailer (third qtr) and Uniflex Hlgs. **Finals**: Midhurst White, and Myddleton Hotels.

TOMORROW—Interims: Bank of Ireland, Canadian Foreign Inv Tst, Dorington Inv, Hambros Inv Tst, Headlam Sims & Coggins, Mallinson-Denny, Pease of Birmingham, Plessey, Reed International, and Roberts Adlard. **Finals**: Cedar Inv Tst, Hartle Machinery International, Linread, Palmerston Inv Tst, and Scottish National Tst Co.

WEDNESDAY—Interims: Aquascutum & Associated Cos, Berkeley Hambro Prop, London Tst, More O'Ferrall, Polymark and Tricoville. **Finals**: Central Manuf & Trade, Levers Optical and Safeguard Industrial Inv.

THURSDAY—Interims: Acrow, Fortnum & Mason, Gieves Grp, Guardian Inv Tst, Hoover (nine monthly), Leves, Pritchard Services, Save & Prosper Linked over the past few days.

Results this week

Inv Tst, UBH Grp, United Kingdom Prop, Usher-Walker and Whiteley (B. S. & W.). **Finals**: Anglo Scottish Inv Tst, D. M. Lancaster, Higsons Brewery, Kwiksave Discount, Mitchell Cotts Transport, Moss Eng, Suncel Behru Rubber Est, Wm Low, and Wemyss Inv.

FRIDAY—Interims: Downie Brae Hlgs, Feeder, Hammerston Prop & Inv Tst, Lamont Hlgs, Provincial Landries, Much and Tomkins, Sraflex International, and Walker & Staff. **Finals**: Berry Tst, and Ulster Television.

Cons Plantations cheer

Following the record profits in the year to June 30 by Consolidated Plantations, prospects seem set fair for the current trading period. This group, controlled by Sims Darby Holdings, is in rubber, oil palm and cocoa production in West Malaysia.

The chairman, Mr. Tan Siew Sio, reports in his annual statement that in view of the significant fall in palm oil prices since the year end, it was fortunate that by the end of August the group had contracted a substantial proportion of the year's estimated production at "satisfactory prices". Last year's "exceptional performance" has set the group a difficult target for the current year.

However, output is expected to rise and the forecast of expanding volume of palm oil and cocoa will help to sustain revenues. Rubber prices recently showed a firmer trend and the board is optimistic that last year's average price will be maintained in the current year.

Builders' profits may jump, but not shares

The construction sector, which received a much needed fillip from the Chancellor's Budget, has had its fair share of analysts from City brokers over the past few days.

The £400m Government boost to public expenditure for 1978, coupled with the £200m package for the industry announced earlier this year, may well pump up the profits of the individual companies but there is little likelihood that it will do much for shares.

Over the last month the share price of the major building materials and contracting and construction companies has firmed, in anticipation of the reflationary measures. And, according to analysts, Mr. Jeffrey Mair, of brokers James Capel, the problems for 1978 have not yet been fully appreciated.

Brokers' views

The policy of progressive cutbacks has now been reversed, but the leads and lags in this sector will result in a difficult United Kingdom trading environment throughout 1978.

However, Mr. Tony Good, of Phillips & Drew, feels that the current strength is sustainable and suggests that a number of leading contractors—including John Laing, Richard Costain and Tarmac—still look attractive.

Agreeing with him, as far as Tarmac is concerned, is analyst Mr. Martin Murch, of Simon & Coates who sees the share as a speculative buy. Despite a 53p drop in the share price from 220p in the last few weeks, as a result of the anticipated £12m loss in Nigeria, the business will benefit from the 1978 optimism in construction, he says.

The shares have a high yield, of almost 8 per cent gross, and he anticipates pre-tax earnings of around £27.5m for the group, against a previous £25.5m.

Taking the effects of the mini-Budget more generally, Mr. Tony Good and Mr. Simon Hill, of brokers Rowe Rud, see two significant trends: an underlying switch of resources from the public to the private sector and a minor shift from direct to indirect investment.

They also stick their necks out by predicting a £2 pound within the next six months. This would result in a downwards

push on inflation which, of course, would be good news for the market.

Mr. Keith Percy, of Phillips & Drew, also sees the risk of being out of the market over the next year greater than the risk of being in. Provided his forecast of a general profits increase of 15 per cent is correct and that there is no significant rise in interest rates, he foresees little weakness in the equity market in the short term.

Brokers Simon & Coates are not so confident. Equities appear to have discounted the good news for some time ahead, and in certain sectors, such as stores, may indeed have over-discounted it. The market may therefore be more likely, over the next few months, to react on the bad news than achieve further advances on the good, they say.

One sector unlikely to outperform the general trend is that of the shipping groups, currently heading for another spell of stormy weather, according to Mr. Jeremy Smith, analyst with James Capel.

Labour problems, the threat of increasing United States protectionism and the stagnation in world trade has left little prospect of fairer weather. And most groups have their own particular problems to contend with on top of the general recession in the built market.

P & O, for example, will not see the breakthrough in earnings from underutilized bulk ships and the Beatrice oil field until 1980—some what later than expected—and any sign of a recovery in the oil market has been similarly deferred.

Investors would be well advised, according to Mr. Smith, to get out of shares now, while the going is still relatively good.

A weighty voice, entitled Burton Reunion, comes from the pen of Mr. Keith Wills of Hedderwick Stirling Grumbay. Two years of major policy changes designed to stem operating losses should see the group return to profits and Mr. Wills forecasts pre-tax earnings of around £13m by 1978/80. This will probably be accompanied by the entrenchment of the non-voting shares, continued growth in the Top Shop and the re-launch of Peter Robinson.

However, he does speculate that Burton may also be revisited by some company looking to take over the group, with its exceptionally undervalued property base.

Alison Mitchell

Business appointments

Seat on Gallaher board for Mr Robert Plancher

Mr Robert L. Plancher has joined the board of Gallaher. Sir Peter Matthews has been made a non-executive director of Plessey-Hatterley.

Mr Brian Holland is now a director of Twickenham.

Mr M. C. Whitley has become financial director of Rediffusion National Glass in addition to his present responsibilities as company secretary.

Mr J. L. King has joined the board of The Nineteen Twenty-Eight Investment Trust.

Mr Trevor Bedford is now a director and general manager of The Hongkong Land Company.

Mr J. F. Crossfield has been elected a non-executive director of Baker Perkins Holdings.

Sir Richard Powell has joined the board of the F. & C. Group.

Dr A. N. Farrar has become chief technical executive at Transparent Paper.

Mr J. A. Humphries, president of the British Constructional Steelwork Association has been elected

chairman of the executive board of the European Convention for Constructional Steelwork.

Mr K. S. Arnold, chairman and managing director of North Cornwall District Council, has been made president of the British Agricultural & Garden Machinery Association.

Mr Jeffrey Bernhart, managing director of Reinhard Group, has become president of the Electrical Trades Association.

Mr Douglas Gray is now a director of Cornwall.

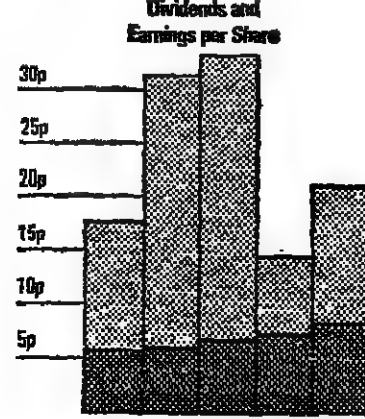
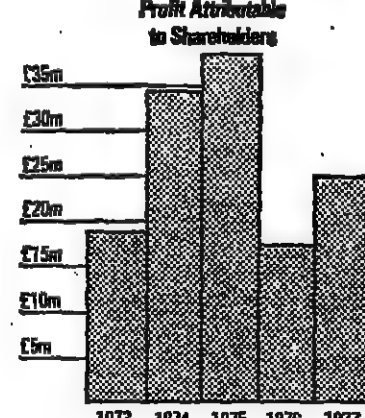
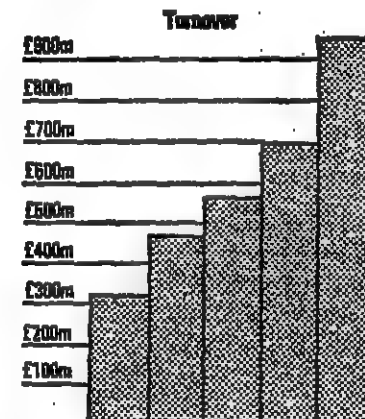
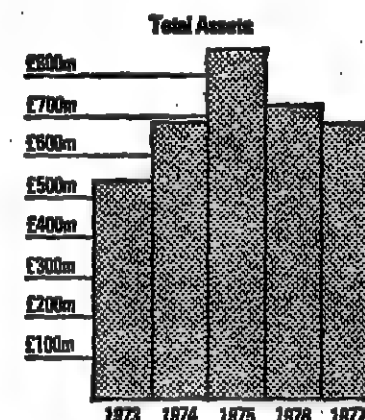
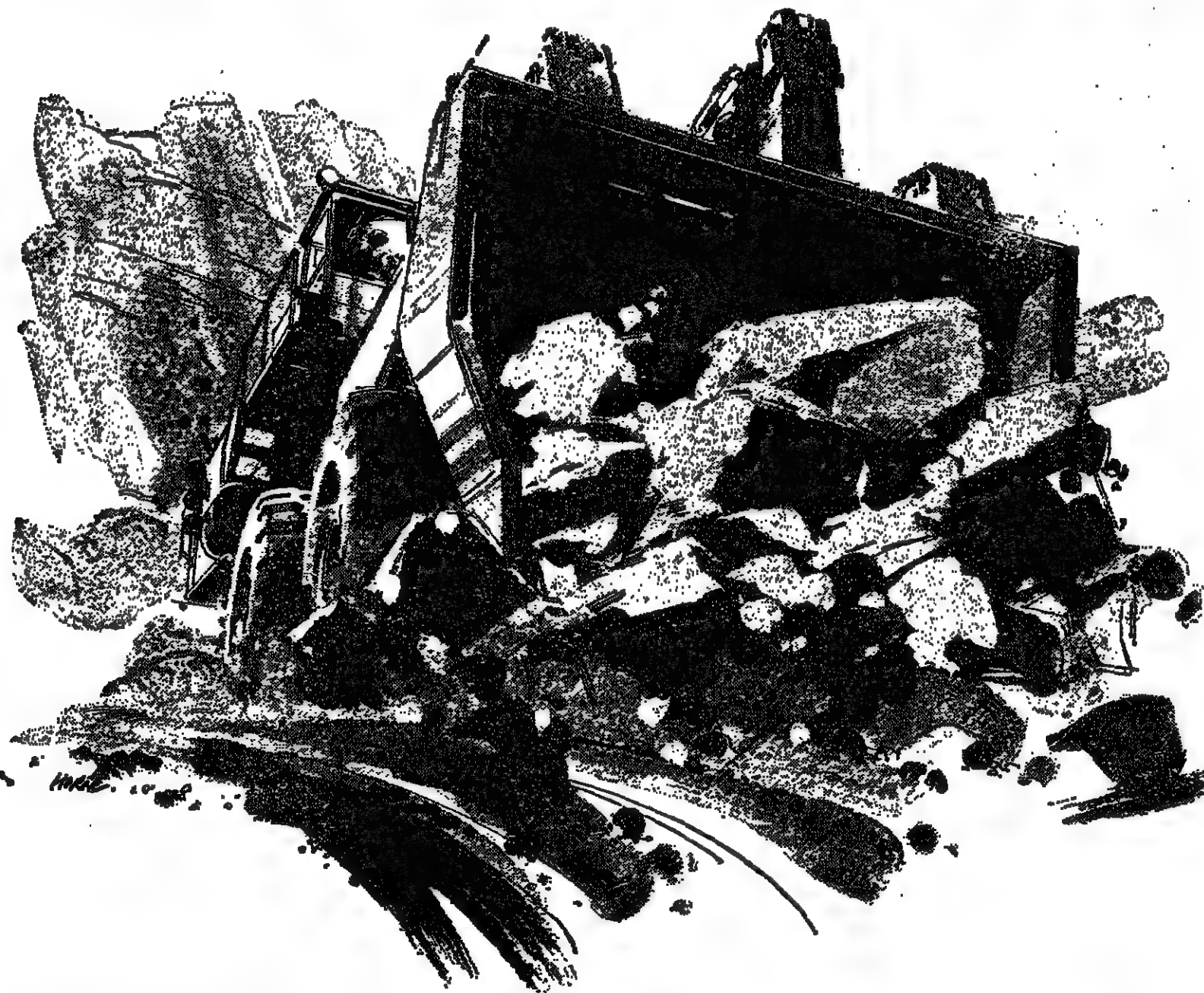
Mr John Abbott has been made managing director of Airfix Products in place of Mr John Gray, who is to concentrate on his activities as chief executive of Airfix Industries Toy Division.

Mr W. A. Simpson is elected managing director of George Wimpey W. and C. succeeding the late Mr John Anderson.

Mr L. J. Thomas has been made a director of Central and Sheenwood.

Mr E. J. Hatcher has joined the board of Atcost (Midlands).

Gold Fields: one of Britain's natural resources.



World industries and national economies depend on the efficient development of natural resources: metals, minerals and energy products.

This is the area in which Consolidated Gold Fields—a British company—specialises all over the world.

Company activities embrace steel production and distribution, construction materials, mobile plant, shipping, transport, engineering, manufacturing, trading, financial services and exploration. Its mining interests include gold, silver, coal, tin, iron ore, uranium, ilmenite, rutile, zircon, copper, zinc and vanadium.

As well as operating in the United Kingdom, Gold Fields has interests in Europe, North America, Africa, Australia, the Middle East and the Pacific.

Group companies are committed to a long term development programme to help meet future demands for natural resources essential to industry. By continuing to invest at home as well as overseas, Gold Fields is contributing to the British economy by providing employment and helping the balance of payments.

Salient features of the 1977 Accounts

	1977 £million	1976 £million
Profit before taxation and exceptional items	57.2	47.7
Taxation	16.1	20.3
Net profit attributable to the members of Consolidated Gold Fields Limited Per Ordinary Share	25.0	17.6
Ordinary Dividend	20.84p	14.62p
Cost to the Company	9.9	8.9
Per Share payable	8.2317p	7.37p
Gross equivalent including related tax credit	12.4723p	11.3385p
Total Assets	683	734

Certain figures for 1976 have been restated to reflect current accounting policies.



The Secretary,
Consolidated Gold Fields Limited,
49 Moorgate, London EC2R 6BQ.

Please send me a copy of the 1977 Annual Report.

Name _____

Address _____

Factories & warehouses for sale & to let

Details in our
**AUTUMN 1977
BROCHURE**

King & Co 1 Snow Hill, London, ECL 2DL
01-236 3000, Telex 885488

Chartered Surveyors Also in Manchester, Leeds and Bristol

COMPANY NOTICE

THE THOMSON ORGANISATION LIMITED

NOTICE IS HEREBY GIVEN that the Registers of the 4.72% Cumulative First Preference Shares, the 21.7% Cumulative Preference Shares, the 3% First Mortgage Debenture Stock, the 6% First Mortgage Debenture Stock and the 7% Unsecured Loan Stock of the Company will be closed for one day only on Friday, 11th November, 1977, for the preparation of Dividend and Interest Warrants to be paid on Tuesday, 3rd January, 1978, with the exception of the interest on the 6% First Mortgage Debenture Stock 1983/88 and the 7% Unsecured Loan Stock 1977/92 to be paid on Friday, 30th December, 1977.

BY ORDER OF THE BOARD
JAMES EVANS, Secretary.
4 Stratford Place, London W1A 4YG.
25th October, 1977.

FINANCIAL NEWS AND MARKET REPORTS

Underlying strength in gold demand

Despite recent fluctuations in the price of gold, the underlying strength in demand for gold is clearly evident. This is a lot more than can be said for South African gold mining shares, whose sensitivity to political factors even in the face of a rising bullion price, has been well demonstrated recently.

With the impending changes in the International Monetary Fund's articles and recent moves in the United States concerning gold collateral in commercial transactions, the structure of the gold market seems set for a radical change, although, of course, there have been already major changes coming from the IMF auctions.

But inherently the tone for gold appears bullish, with supply remaining relatively stable. The Swiss Bank Corporation is the latest of the major bullion watchers to predict that the supply of new gold to the international market will be little changed on last year at 1,450 tonnes this year.

This assessment agrees with one from Credit Suisse and is in line with the forecast from Consolidated Gold Fields back in June that the upper limit this year was 1,500 tonnes.

Swiss Bank reckons that South African gold bar sales could well be lower this year, compared with 1976, because sales have become less urgent due to the improving balance of payments and because the

demand for Kruger Rands has been higher.

Against that, Russia was an active seller in the first half and, while it made only sporadic appearances in the market during the summer, it is likely to account for at least half of South Africa's level of sales.

The IMF will account for 187 tonnes, while an additional source is various central banks trying to overcome acute

Mining

foreign currency problems. Reuters reports that Portugal is estimated to have sold about 1.5 million ounces in the first eight months of the year, although this is less than three months supply from the IMF auctions. Swiss sources consider that sales may have continued recently, but have been conducted in such a way so as not to upset the rising bullion trend.

Another central bank seller has been Peru.

Mr Alfred Matter, head office manager of the Swiss Bank considered that the strength of bullion has been helped by Middle Eastern demand for bullion, as other areas for placing their money, such as the dollar, have become unsatisfactory while there has also been

not surprisingly considering the state of the dollar and the Dow Jones average, speculative demand from the United States.

Much is often made of the effect of the bullion price on the level of jewelry demand. However, provided the price moves up reasonably steadily and the outlook is for further rises, Western demand is not quite so inelastic.

The popularity of gold jewelry has shown considerable imperviousness to the economic recession that still persists. Perversely, the popularity appears to have increased among lower income groups. While the wearing of gold "razor blades" around both male and female necks may be aesthetically offensive, they are a useful addition to demand.

The Swiss Bank has noted that the US futures market is growing in influence because of the ease with which volume can be turned over, with the result that the market can be distorted. Prices can be upset by chartist buying and selling in the US although there is no particular pressure on the physical price in Europe. (In London it is thought that there may be a squeeze on positions in December in futures markets.)

While the outlook for bullion continues to look strong, Consolidated Gold Fields, the prime non-premium gold counter, is continuing its diversification

away from gold, or rather, more correctly, it is continuing to lessen its dependence on the South African gold industry for it is prospecting for gold in the United States and is evaluating a small New Mexico property, but any developments on this front are likely to be minor in relation to the group as a whole.

In its new phase of evolution, the group has been slimming down to a leaner, and no doubt hungrier, animal in terms of personnel although it is continuing to expand its operations.

Expansion is to be concentrated in the United Kingdom and the United States, with the result that Australia, after its recent unhappy history, is likely to decline significantly in importance to the group unless it can come up with some really good prospects.

Given the volatile Australian climate and the desire to lessen dependence on South Africa for obvious political reasons (although there are still plenty of developments on the board), the United Kingdom and the United States seem to be obvious targets. ARC has done very well for the group and seems likely to go from strength to strength, while it is continuously looking for acquisition opportunities to broaden its base and increase market penetration.

Desmond Quigley

Weekly list of fixed interest stocks

Stock	Price	Dividend	Yield
Abn & Wilson 7 1/2 Deb	70 1/2	7 1/2	10 1/2
Abn & Wilson 8 1/2 Deb	70 1/2	8 1/2	11 1/2
Abn & Wilson 9 1/2 Deb	70 1/2	9 1/2	12 1/2
Abn & Wilson 10 1/2 Deb	70 1/2	10 1/2	13 1/2
Abn & Wilson 11 1/2 Deb	70 1/2	11 1/2	14 1/2
Abn & Wilson 12 1/2 Deb	70 1/2	12 1/2	15 1/2
Abn & Wilson 13 1/2 Deb	70 1/2	13 1/2	16 1/2
Abn & Wilson 14 1/2 Deb	70 1/2	14 1/2	17 1/2
Abn & Wilson 15 1/2 Deb	70 1/2	15 1/2	18 1/2
Abn & Wilson 16 1/2 Deb	70 1/2	16 1/2	19 1/2
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Abn & Wilson 24 1/2 Deb	70 1/2	24 1/2	27 1/2
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Abn & Wilson 60 1/2 Deb	70 1/2	60 1/2	63 1/2
Abn & Wilson 61 1/2 Deb	70 1/2	61 1/2	64 1/2
Abn & Wilson 62 1/2 Deb	70 1/2	62 1/2	65 1/2
Abn & Wilson 63 1/2 Deb	70 1/2	63 1/2	66 1/2
Abn & Wilson 64 1/2 Deb	70 1/2	64 1/2	67 1/2
Abn & Wilson 65 1/2 Deb	70 1/2	65 1/2	68 1/2
Abn & Wilson 66 1/2 Deb	70 1/2	66 1/2	69 1/2
Abn & Wilson 67 1/2 Deb	70 1/2	67 1/2	70 1/2
Abn & Wilson 68 1/2 Deb	70 1/2	68 1/2	71 1/2
Abn & Wilson 69 1/2 Deb	70 1/2	69 1/2	72 1/2
Abn & Wilson 70 1/2 Deb	70 1/2	70 1/2	73 1/2
Abn & Wilson 71 1/2 Deb	70 1/2	71 1/2	74 1/2
Abn & Wilson 72 1/2 Deb	70 1/2	72 1/2	75 1/2
Abn & Wilson 73 1/2 Deb	70 1/2	73 1/2	76 1/2
Abn & Wilson 74 1/2 Deb	70 1/2	74 1/2	77 1/2
Abn & Wilson 75 1/2 Deb	70 1/2	75 1/2	78 1/2
Abn & Wilson 76 1/2 Deb	70 1/2	76 1/2	79 1/2
Abn & Wilson 77 1/2 Deb	70 1/2	77 1/2	80 1/2
Abn & Wilson 78 1/2 Deb	70 1/2	78 1/2	81 1/2
Abn & Wilson 79 1/2 Deb	70 1/2	79 1/2	82 1/2
Abn & Wilson 80 1/2 Deb	70 1/2	80 1/2	83 1/2
Abn & Wilson 81 1/2 Deb	70 1/2	81 1/2	84 1/2
Abn & Wilson 82 1/2 Deb	70 1/2	82 1/2	85 1/2
Abn & Wilson 83 1/2 Deb	70 1/2	83 1/2	86 1/2
Abn & Wilson 84 1/2 Deb	70 1/2	84 1/2	87 1/2
Abn & Wilson 85 1/2 Deb	70 1/2	85 1/2	88 1/2
Abn & Wilson 86 1/2 Deb	70 1/2	86 1/2	89 1/2
Abn & Wilson 87 1/2 Deb	70 1/2	87 1/2	90 1/2
Abn & Wilson 88 1/2 Deb	70 1/2	88 1/2	91 1/2
Abn & Wilson 89 1/2 Deb	70 1/2	89 1/2	92 1/2
Abn & Wilson 90 1/2 Deb	70 1/2	90 1/2	93 1/2
Abn & Wilson 91 1/2 Deb	70 1/2	91 1/2	94 1/2
Abn & Wilson 92 1/2 Deb	70 1/2	92 1/2	95 1/2
Abn & Wilson 93 1/2 Deb	70 1/2	93 1/2	96 1/2
Abn & Wilson 94 1/2 Deb	70 1/2	94 1/2	97 1/2
Abn & Wilson 95 1/2 Deb	70 1/2	95 1/2	98 1/2
Abn & Wilson 96 1/2 Deb	70 1/2	96 1/2	99 1/2
Abn & Wilson 97 1/2 Deb	70 1/2	97 1/2	100 1/2
Abn & Wilson 98 1/2 Deb	70 1/2	98 1/2	101 1/2
Abn & Wilson 99 1/2 Deb	70 1/2	99 1/2	102 1/2
Abn & Wilson 100 1/2 Deb	70 1/2	100 1/2	103 1/2

Kennecott waits for copper prices to rise

New York. Kennecott Copper Corporation will continue to report unsatisfactory results if copper prices stay where they are.

The group reports a third quarter loss of 66 cents a share compared with a profit a year ago of 15 cents a share. Kennecott said that any improvement in copper prices will depend on a stable reduction in world copper stocks. This, in turn, will require either an important increase in copper demand or big cuts in output.

Reflecting lower copper prices and sales and the impact of shutdowns and brief strikes at its copper mining operations, Kennecott's metal mining division had a significant loss in the third quarter.

NTPC

National Thermal Power Corporation Ltd.
(A GOVERNMENT OF INDIA ENTERPRISE)
NEW DELHI (INDIA)

INVITATION TO BID
FOR TRANSMISSION LINE EQUIPMENT
SINGRAULI SUPER THERMAL POWER PROJECT

Proposals are invited by the National Thermal Power Corporation Ltd., for the supply of materials mentioned herein for their 400 kV Transmission Lines for Singrauli Super Thermal Power Project in Uttar Pradesh, India.

Separate proposals shall be received for the materials indicated below at the address and on the date mentioned herein upto 1030 hrs. (IST) and opened on the same day at 1100 hrs. (IST).

The project is partly financed by credit from the International Development Association. Participation is limited to Bidders from member countries of International Bank for Reconstruction and Development (IBRD) and Switzerland and the materials offered shall have their source of origin in member countries of IBRD and Switzerland.

Sl. No.	Description	Cost of bid documents Rs. US\$	Dates between which bid documents will be available From To	Date set for opening of bids
1.	Supply of approximately 3200 kms of 325 sq. mm copper equivalent ACSR "MOOSE" conductor and approximately 1070 kms of 7/3.56 mm (7/8 SWG) galvanized steel earthwire of 9500 kg/cm ² (50 ton/sq. inch) quality (Specification No. CC-12-004A)	250 30	1st Nov. 1977 25th Jan. 1978	1st Feb. 1978
2.	Supply of about 5000 strings of Disc Insulators (12000 and 19500 kg Electro Mechanical strength) and hardware fittings (Specification No. CC-12-004B)	250 30	1st Nov. 1977 27th Jan. 1978	4th Feb. 1978

Bidders who wish to participate for ACSR conductor and/or Galvanized Steel Earthwire, must have established manufacturing facility in their shop to manufacture and supply 61 strand and above size ACSR conductor and/or Galvanized Steel Earthwire of size 7/8 SWG or equivalent for overhead transmission lines. The minimum acceptable experience is three (3) years. Bidders must have manufactured and/or supplied at least five hundred (500) kms. of sixty one (61) strand ACSR conductor from the manufacturing facility specified above.

Bidders who wish to participate for Disc Insulators and/or Hardware fittings should have designed, manufactured, tested and supplied Insulators and/or Hardware fittings for 400 kV transmission line or should have under advance stage of manufacture such material for 400 kV transmission line.

The Bidders will be required to furnish a Bid Guarantee and Contract Performance Guarantee for amounts of 2% and 10% respectively. The Bidding documents can be had from the address given below on payment of the cost of bid documents for respective items either by certified cheque or by crossed Demand Draft payable to National Thermal Power Corporation Limited, at New Delhi.

Contract Services
National Thermal Power Corporation Ltd.
11th floor, Ashoka Estate, 24, Barakhamba Road,
New Delhi-110 001 (India)
Telex : ND-2266

FEDERAL CAPITAL DEVELOPMENT
AUTHORITY
INVITATION TO CONSULTANTS
-INFRASTRUCTURE CAPITAL
CITY

The Federal Capital Development Authority (FCDA) has been entrusted by the Federal Military Government of Nigeria with the task of building a new Capital City.

The selected territory for the Capital is an area of 8,000 square kilometres in the heart of Nigeria. The territory is largely undeveloped.

It is expected that the Authority will recommend a Master Plan of the City and the entire Region to the Government in 1978 and that the first proposals for infrastructure projects will be designed during that period, to implement the Master Plan.

The Authority intends to develop the territory by coordinating the skills of its own professional and allied staff with those offered by Consultants and by seeking the support of the Nigerian Ministries and parastatals which provide nationwide services.

In order to co-ordinate the Authority's proposals for infrastructure with the design stage of the Master Plan exercise, the Authority is now inviting Consultants with proven skills in the relevant fields to submit full details of their interests and experience for consideration.

Pre-qualification submissions should be submitted, on or before 5th December, 1977, to:-

The Executive Secretary,
Federal Capital Development Authority,
State House,
11, Marina,
P.M.B. 12534,
Lagos,
NIGERIA.

Submissions will be considered under the following headings:-

PROJECT MANAGEMENT ORGANISATION:
Consultants are invited to assist FCDA in programming the infrastructural development and in scheduling and monitoring all construction activities required to build a new city.

PROFESSIONAL ENGINEERING CONSULTANTS:
Consultants are invited to assist FCDA with the planning and design of the following elements of the infrastructure:-

- Road Systems
- Mass Transport Systems
- Public & Private, multi-modal
- Airports
- Electrical Supply & Distribution
- Communications Systems
- Water Supply & Water Systems
- Sewerage Systems

IS NOT A REQUEST FOR PROPOSALS. After the planning process, selected firms will be invited to prepare proposals based upon programming information to be supplied by FCDA after January 1978. Consultants should state which work they wish to be considered. Submissions, in copies, should provide the following particulars:-

- Building or major urban projects for which the consultant was responsible.
 - Experience in developing countries.
 - The names, experience & qualifications of the responsible partners.
 - No referees to whom FCDA may apply in confidence.
- Consultants should make themselves familiar with present working conditions in Lagos and in the territory as will be responsible for their own support, transport and accommodation before facilities can be provided by the Authority.

Everything
fine at
Assam-now

Assam Trading (Holdings) thinks that the future is bright - but not for long. At the moment tea prices are high but Sir Owain Jenkins, chairman, reminds shareholders that they cannot expect recent wide profit margins (narrowed by tax cuts) to last indefinitely.

For better or worse, Assam now leans more heavily than ever before on McLeod Russell though the form of that reliance has changed. Thanks to a great riding up in the tea business, McLeod Russell is no longer a subsidiary but an associate, though a far bigger group than ever before.

Assam has also rid itself of interest outside plantations so that it has at present no income of consequence other than its profit share (in practice dividends declared) by McLeod. Moreover, Assam itself has still to repay debts, the legacy of its past activities in fields outside tea.

J Lewis Partnership
-disappointing week

A reminder that hopes of a consumer spending boom this autumn and Christmas are no more than hopes at present comes from the John Lewis Partnership department stores. Last week sales rose by only 12.6 per cent to just over £5m though in the Waitrose food shops the figures were better. So total sales were more than £6.5m, a gain of 13.6 per cent.

More share prices

The following will be added to the London and Regional Share Price List tomorrow and published daily in Business News.

Financial Trusts
Exploration Co.

Briefly

PARKER TIMBER
Chairman told annual meeting that company maintaining bigger share of market. He confirmed confidence in this year's trading.

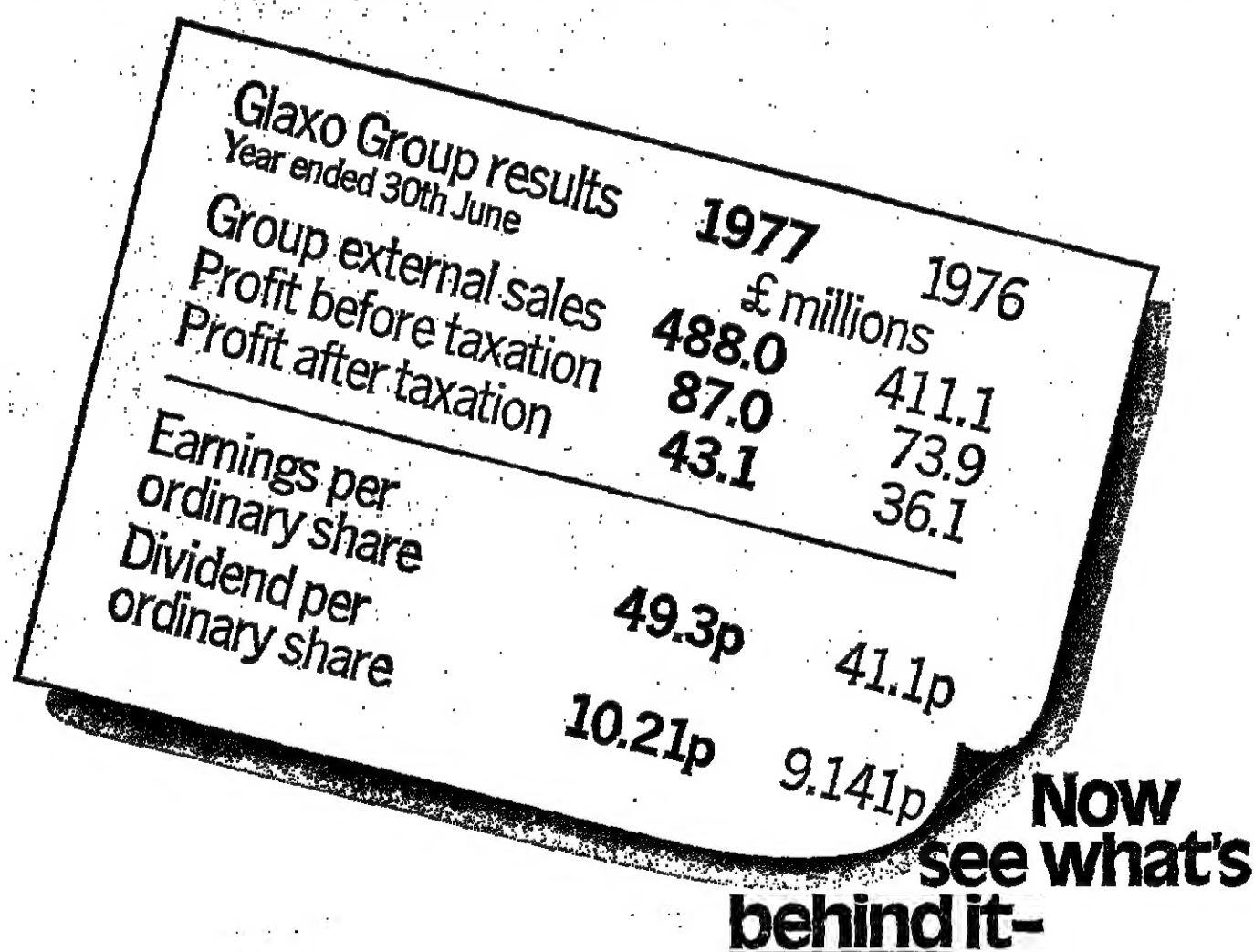
ACROW
Group paying just over £1m for half share in a Brazilian engineering company. Rest to be taken up by Brazilian company owned jointly by Ocean Wilson (Holdings) and Incepta.

ALLIED INVESTMENTS
Chairman reports that group is in negotiations to provide the additional equity needed to finance current operations and further hospital/clinic contracts in view.

TIN COMPANIES
Southern Kinta and Southern Malayan Tin Dredging. Emigration to Malaysia formalized.

FOREIGN AND COLONIAL INVESTMENT TRUST
New six month loan of \$3m arranged with Chemical Bank. Some of the money used to repay borrowings of around \$2.6m.

The global strength of Glaxo



Once again Glaxo has reported record results. In the year to 30th June, 1977 Group external sales rose by £77 million to £488 million. Sales overseas were £299 million, an increase of £43 million, and U.K. sales, excluding wholesaling, were up £18 million to £76 million. Goods exported from the U.K. totalled £112 million, an increase of £18 million. Profit before tax was £13 million higher at £87 million and earnings per share a record 49.3p against 41.1p a year ago.

The figures tell their own story and demonstrate the global strength of Glaxo.

But Glaxo's strength can be measured in other ways too—in the success of its internationally acknowledged pharmaceutical, food and surgical products, in the research that discovers them, and in the energy that translates those ideas into reality.

Take, for example, our cephalosporin antibiotics; our anti-asthma products and topical steroids for skin treatments. Take also our new anti-hypertensive drug, with its entirely novel mode of action, and our new injectable

cephalosporin antibiotic which we expect to market early next year, and you have some measure of Glaxo's capacity for innovation.

Apart from such ethical pharmaceuticals there are other famous products that contribute to the strength of Glaxo, products like the recently launched Osterfeed for babies, Complan, the complete food drink, the well-established proprietary pharmaceuticals, Adexol, Minidex and Haliborange and our range of ethical products for the veterinary world where we continue to be the U.K. market leader.

In the past ten years alone Glaxo has developed no less than twelve important new products and the search for new ideas goes on. Currently we're investing £20 million a year world-wide on Research and Development.

But ideas alone are not enough. Glaxo is strong in manufacture, in marketing and in distribution. In the U.K. and in 41 countries overseas over 30,000 Glaxo people are engaged in providing the products needed everywhere in the fight for better health.

From any angle, Glaxo's record of achievement is impressive. But what lies ahead? This is what Austin E. Bide, Glaxo's Chairman and Chief Executive, has to say about the Group's future—"The key to success for Glaxo is the technology that we export in the products we invent to satisfy people's needs wherever they arise. On this basis Glaxo has flourished and may reasonably hope to continue to do so".

If you would like a copy of the latest Annual Report of Glaxo Holdings Ltd. and the Chairman's Statement to Stockholders, just send the coupon.

The product names in italics mentioned above are REGISTERED TRADEMARKS.

Capitalization and week's change

ACCOUNT DAYS: Dealings Begin, Today. Dealings End, Nov 11. 3 Contango Day, Nov 14. Settlement Day, Nov 22

§ Forward bargains are permitted on two previous da

current market price multiplied by the number of shares in issue for the stock quoted

[illegible]

